EPACK DURABLE LIMITED

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November 04, 2026

Listing Department
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
Scrip Code: 544095
ISIN: INE0G5901015

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai – 400 051
Symbol: EPACK
ISIN: INE0G5901015

Sub: Transcript of the Earnings Conference Call on the Unaudited Standalone and Consolidated Financial Results for the Quarter and Half Year ended September 30, 2026.

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Para A of Part A of Schedule III thereto, please find enclosed herewith the transcript of the Earnings conference call held on October 30, 2026 w.r.t Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and Half Year ended September 30,2026.

A copy of same is also available at the website of the Company at Transcript_Q2FY2026-27 .

We request you to kindly take this on your record and oblige.

Thanking You

For **EPACK Durable Limited**

Esha Gupta
Digitally signed by Esha Gupta
Date: 2026.11.04 17:27:30 +05'30'

Esha Gupta
Company Secretary and Compliance Officer

Encl. as above

“EPACK Durable Limited

Q2 FY' 27 Earnings Conference Call”

October 30, 2026

MANAGEMENT: **MR. AJAY DD SINGHANIA – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – EPACK DURABLE LIMITED**
MR. RAJESH KUMAR MITTAL – CHIEF FINANCIAL OFFICER – EPACK DURABLE LIMITED
MR. NITIN GUPTA – GM FINANCE – EPACK DURABLE LIMITED

MODERATOR: **MR. TANAY – DAM CAPITAL ADVISORS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to EPACK Durable Q2 FY '27 Earnings Conference Call hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in the listen-only mode. 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 star then zero on your touch-tone phone Please note that this conference is now being recorded.

I now hand the conference over to Mr. Tanay from DAM Capital Advisors Limited. Thank you, and over to you, sir.

Tanay: Yes. Thank you, Anam. Good morning, and welcome, everyone, to EPACK Durable's Q2 FY '27 Earnings Call. Today, we have the management being represented by Mr. Ajay DD Singhania, Managing Director and CEO; Mr. Rajesh Kumar Mittal, the Chief Financial Officer; and Mr. Nitin Gupta, GM Finance.

At this point, I would hand over the call to Mr. Rajesh Mittal for his opening remarks, post which we will open up the floor for Q&A. Thank you, and over to you, sir.

Rajesh Mittal: Thank you, Tanay. Thank you all, and very good morning, everyone. Welcome to our earnings conference call of the second quarter and first half of the financial year 2027. I would like to thank DAM Capital for arranging today's earnings call.

The key financial highlights for the quarter 2 of financial year '27 are as follows. For the second quarter, revenue from operations stood at INR439 crores, registering a strong growth of more than 106% on a year-on-year basis compared to INR213 crores in the corresponding quarter of the previous financial year. EBITDA for the second quarter stood at INR7.1 crores compared to INR0.5 crores in quarter 2 financial year '26, representing an improvement of approximately INR6.6 crores.

The EBITDA margin improved to 1.62% compared to 0.23% in the corresponding quarter of the previous year. I would also like to highlight an important point regarding the comparability of EBITDA margin. The company has not accrued any PLI income in quarter 2 for the financial year '27, whereas it has accrued a PLI income of INR8 crores in quarter 2 on a year-on-year basis, which within that quarter revenue. And because it carries no associated cost, it directly flowed the entire amount into the EBITDA.

Excluding the PLI income for the previous revenue and EBITDA for quarter 2 financial year '26, EBITDA would have been negative INR7.5 crores compared to positive EBITDA of INR7.1 crores during the current quarter. Accordingly, on a comparable basis, excluding PLI income, the company has achieved an EBITDA improvement of approximately INR14.6 crores on a year-on-year basis, reflecting an improvement in underlying operating performance. This will also a point here that this EBITDA margin does not include the -- if I ignore the forex loss, the EBITDA would have been improved by INR10 crores on a half year basis.

Now I would request our Managing Director and CEO, Mr. Ajay DD Singhania, to brief you on the operational highlights. Over to you, please, sir.

Ajay DD Singhania: Thank you, Rajesh-ji. And once again, good morning, everyone. Let me begin with industry first. Primary sales for room air conditioners in July to September quarter were better than last year. Last year, wherein unseasonal rains, destocking around GST transition weighed down the industry, the quarter has been comparatively much better both in terms of primary and secondary sales. Secondary sales have remained healthy and channel inventory is at a comfortable level, which gives industry a clean starting point for the coming season, and we are seeing this in our September early production plan.

Commodity prices, particularly copper, aluminum, plastics, the FX fluctuation have been volatile throughout the year. Our contracts provide passing this cost, but passing is an ongoing process which is especially when prices are moving as sharply as they are today. In such periods, some compression in percentage margins is natural and it narrows as pricing. In large appliances, washing machines continue to grow ahead of broader market, driven by shift to fully automatic and front load models and by rising penetration beyond the top cities.

In small appliances, kitchen categories such as air fryers, mixer grinders, induction cooktops continue to see strong traction as consumers premiumize and brands increasingly begin to source those categories from global domestic manufacturer. Air coolers had a softer year and channel inventory normalized and plastic cost suites. Against this backdrop, I'm pleased to share that EPACK Durable's delivered its highest ever first half revenue of INR1,325 crores in H1 of '27, up 51.3% year-on-year. In second quarter, revenue more than doubled to INR439 crores.

The quarter also shows our diversification at work. Small domestic and large domestic appliances grew 57%. Washing machines and air fryers led the growth and non-RAC business contributed 63% of the revenue for this quarter. For half year, SDA and LDA grew 62%. Our RAC business grew 58% in first half, supported by share gains with existing customers and contributions from new ones.

In second quarter, RAC revenue grew 61%, partly on a low base of last year. Unseasonal rains, destocking around GST transition took place. Components grew 45% in the quarter and we continue to deepen captive integration in heat exchangers, copper tubing, PCB, cross flow fans and moulding parts.

We now serve 72 customers across 19 categories and top 2 customers in concentration has come down to 32% from 72% earlier in FY '26. During the year, we launched vacuum cleaners, tower fan, nutri blenders and added newer customers. For FY '27, our pipeline includes oil filter heaters, washing machines, air purifiers and couple of other products which are under development. On our Hisense partnership through EMTPL, our wholly owned subsidiary, Sri City, though the last season we produced room air conditioners for Hisense, the next milestone is washing machine.

Pilot production for front load washing machine for Hisense is scheduled for end of November '26 with commercial production to commence. Front load washing machine is a premium

growing segment of washing machine market, and this takes EMTPL from a single product category to multiple products category. Along the business the Board has taken decisions to sharpen our focus on the core business by transferring our 50% stake in Epavo Electricals joint venture with Ram Ratna Group RRWL, who will hold now 100% of the stake. We are also winding up 2 subsidiaries, namely Bumjin India Audio Products and EPACK Electronic Components Private Limited. Both of them neither had any operating facility and nothing commenced on both the fronts.

Our share of losses from Epavo was INR12 crores for FY '26 and H1 of FY '27, and that trend now. Going forward, our capital and management attention will be fully on EPACK Durable entity. On margins, our reading straightforward. We are scaling up the top line strongly and winning share and like-for-like EBITDA grew 77% in the half. Reported profitability is being held back by depreciation and interest for new capacity, the lag in passing through commodity costs, the absence of PLI income and seasonality, not by any weakness in demand for competitiveness.

As facilities we have built up fixed cost absorption will support margin recovery. Our priorities remain threefold: first, scale growth engines, sustain RAC share gains while ramping up washing machines, including front load and EMTPL and small domestic appliances, which remain our fastest-growing and most margin accretive category. Second, deepen strategic partnership position EPACK as a preferred manufacturing partner across multiple categories with our key customers.

Third, build the margin, convert scale into operating leverage and new facilities absorb volume, localization deepens our value and addition and mix moves towards higher margin categories. We have a robust pipeline of new products and customers across segments and our near-term priority is converting the gross sales into stronger profitability.

With this, we now open the floor for Q&A.

Moderator: Thank you very much. The first question comes from the line of Tanay from DAM Capital. Please go ahead.

Tanay: I have a few questions, if I may. Sir, the first one I want to understand is that, yes, we've seen very strong top line growth this quarter for RAC on a favourable base. Maybe if you can sort of help us break it down into value and volume?

Ajay DD Singhania: Volume wise?

Tanay: Yes, for the quarter?

Ajay DD Singhania: Volume-wise, it will be difficult not in handy. But overall, the RAC for Q2 grew 160% on a very weak last year same quarter. RAC, I have a segment-wise breakup, which is also part of the investor PPT already uploaded.

Tanay: Yes, sir. No, what I mean to say is the INR160 crores of RAC, which we've done, if you can sort of help us break down how much was it led by volume and how much was pricing benefit?

Ajay DD Singhania: In that sense, so the pricing overall compared to last year same quarter, the increase has been approximately 15% to 20% vary from model to model. So that's the approximate price increase, which has happened because of the commodity and the forex this thing. The overall price increase is varies from 15% to 20% model to model.

Tanay: Sure, sir. Sure. And sir, the other thing I want to understand is that, yes, while you've taken a 15% to 20% price increase, gross margins have seen a sharp contraction on a Y-o-Y basis. Can you maybe split the contraction into 2 pieces because one piece would be the under recovery of price hikes. And the second would be also a portion of higher ASPs impacting your margins optically. So maybe if you can sort of help us understand what percentage of price hike is yet to be taken versus the cost escalation, which has been seen?

Ajay DD Singhania: So on this, Tanay, actually, if we compare like-to-like, last year, H1 or, we have secured, like Rajeshji mentioned, PLI income of INR8 crores in Q2 and overall of approx INR30 crores in H1. So if we neglect the PLI, the gross margin last year was approximately 12.4%, which now is 12.8%. So on a like-to-like basis, the gross margins have improved, although there has been a lag in passing the commodity impact, but because of the model mix change, especially with the focus on the small and large domestic appliances, the overall margins have actually increased.

Tanay: Understood. So fair to say that the 15% to 20% price hike, which we've taken sort of covers all the escalation till date?

Ajay DD Singhania: What is, Tanay, come again?

Tanay: I'm saying, sir, fair to say that the 15% to 20% price hike, which we've taken for our customers sort of takes care of all the cost increases, which we've seen?

Ajay DD Singhania: Largely, yes. But like I mentioned earlier, there is a lag. The prices are not passed on real time. So there's always a lag. But yes, in general, mostly based on our contract, any escalation or decrease in commodity is passed on in subsequent quarter. So that's an ongoing process, but there is always a lag. But largely, yes, the increase has been passed on to almost all different vendors.

Tanay: Sir. So my other question was, obviously, we've been seeing the secondary sales have been far better. So if you can sort of help us understand what are the current industry levels in terms of inventories at both brand and channel, if there's any indicative number or any indication if you can sort of provide will be helpful.

Ajay DD Singhania: In terms of inventory levels compared to last year because last year wherein again, due to seasonal rains, the inventory has piled up both with the customers as well as with the channel partners. I think we are looking at a significantly improved situation. And my only guess would be like last year, I remember we were talking about somewhere around 5.5 million to 6 million inventory in trade towards the end of Q2. I'll say if that was the condition last year, it's probably 40%, 50% lower.

So this, again, is an estimation based on the kind of outlook we are getting for Q3 and Q4. So there's a good pull in Q3 and Q4 as well. So that gives us the confidence that, yes, channel

inventories are rather comfortable on retail to retail, because the sales continue, they are at a lower level.

Tanay: Sure, sure. Sir, the other thing was also we've seen a lot of capex, which has been put over the last couple of years, right? We've almost had a INR400 crores plus sort of a plan in terms of expanding capacity. That's yet not translated into meaningful revenues for us yet. So what is our road map, let's say, for the next 3 to 4 years in terms of scaling and utilizing these capacities, sweating these assets? And I think a lot of it is also for Hisense. So how are we thinking about scaling up Hisense as a brand for us as a partner over the next 2 to 3 years in terms of revenue scale up?

Ajay DD Singhania: In terms of the overall capex, the announcement we made almost 18 months ago was that we are looking at a capex of close to INR470 crores, of which sale is INR370 crores is what has been actualized till end of September. So -- and with this mostly everything has been already put to use and the plants are largely done. So the balance INR100 crores will further be staggered in the next 6 to 12 months. That's the medium-term vision. And now the focus is very clear like we are withdrawing from a couple of joint ventures and a couple of like Epavo and also the focus is very clear.

We are looking at segments only where we see good growth. And the balance INR100 crores, which was envisioned earlier is also now been stretched and will take another 6 to 12 months by the time we see real growth in those categories we will invest. So yes, the investment in Hisense is largely completed with commencement of front load washing machines expected in end of November. And then the rest INR100 crores, which is now budgeted would be staggered in the next 6 to 12 months to further ramp up capacities of products like washing machines and look at newer models of air conditions. But there are no significant investment plans in any medium term.

Tanay: Got that, sir. Got that.

Moderator: The next question comes from the line of Shreyans Jain from 3A Capital Services.

Shreyans Jain: Am I audible?

Ajay DD Singhania: Yes, Shreyans.

Shreyans Jain: A couple of questions, sir. First, since this year being the last year for PLI, so post-PLI, how do you see margins going forward? Will we have to take further price hike to maintain margins?

Ajay DD Singhania: Shreyans, yes, this is the last year for the PLI for EPACK Durable. And for last year and this year, currently, we are not accruing any income in terms of the PLI. So based on our current discussion and the representation done to the Ministry and the DPIIT, the budgeted amount for the PLI for AC, which was roughly INR5,000 crores, which has largely remained unutilized with the government. There is an ongoing discussion wherein we believe there could be some extension happening.

So that's. But at the same time, yes, whatever PLI income was accrued by us was largely passed on to the customers to get -- to be competitive in the market. So as you can see, we've been discussing about increasing the overall gross margin in the product. The initiative has been taken to increase the prices wherever the discounts have been given in terms of the PLI. So in the medium term, I believe next year some normalization and beyond that, further normalization will happen and as PLI discounts get reversed quarter-on-quarter.

Shreyans Jain: Great to hear that, sir. Next question, sir. Could you please provide sales number from Hisense? And have you had any talks with the Hisense's team? What are the response they are getting from the Indian markets?

Ajay DD Singhania: Overall, on the Hisense side, Hisense is already a very strong brand, it has already gained significant market share in India in terms of their television market, that's how the brand is getting created. For AC, the current year being the first year for them as a mass player, we have already sourced close to 18,000 air conditioners from us in this year being the first year till now till September. So that gives us a lot of confidence in terms of the overall penetration and the channels which we have created and now with multiple products going forward like washing machine, et cetera, we believe Hisense is on the right track and our association will strengthen and in terms of the outlook and the intent with which we have partnered with them.

Shreyans Jain: Sir, could you please provide the sales number from Hisense, it would be helpful.

Ajay DD Singhania: Approximately for H1, it is close to INR90 crores.

Shreyans Jain: INR90 crores. Okay, sir. All the best.

Moderator: The next question comes from the line of Pratap Maliwal from Mount Intra Finance.

Pratap Maliwal: Am I audible?

Moderator: Yes, sir.

Pratap Maliwal: Congrats on a good top line performance. So I just wanted to ask when it comes to our overall debt on our balance sheet. If we look at a peer of ours that is almost twice our scale, they seem to have this kind of debt. And so what is our outlook here on our finance cost? I believe last quarter also the management had pointed out that we can do better on this front. So can you just give me an idea going forward, how the debt levels will -- debt levels will sorry, turn out?

Ajay DD Singhania: So Pratap, overall, if I see compared to last year in terms of the debt position, the gross debt of the company is INR770 crores and INR775 crores is the overall gross debt on company, but certain areas where the company has been witnessing an improvement has been achieved, especially in quarter 2 we have seen in terms of inventory reduction and payments have been done to the suppliers and also close to INR225-odd crores of payment has been done to the suppliers for the inventory which we were carrying.

We reduced inventory by almost INR125-odd crores and INR100 crores have been capitalized in terms of the investments done in the last quarter. So yes, the debt remains similar currently.

But in terms of the plans of capex, like I shared, INR100-odd crores of investment is planned in the next 6 to 12 months. The company is not looking to raise any new capital -- any significant new capital. So for the medium term, the overall debt position will remain similar, which is almost 0.8x the equity. And then we will see normalization happening as the capacities which have been created put to use.

Pratap Maliwal: Okay. And just to kind of deep dive here a little bit. So most of our debt is, I think, the short-term working capital debt. So as we projected strong growth going ahead. So as that growth comes in, we don't anticipate, again, a corresponding constant increase in our finance cost, so we can get some of that leverage into our bottom line so we can effectively make a more uniform profitable profile. Is that correct? Sir so our -- just what I'm trying to ask here is that our finance cost should not see much more of an increase going forward even with the strong revenue growth that we are projecting ahead.

Ajay DD Singhania: Right. So if you look at the numbers, also the total finance cost last year versus this year with revenue doubled in terms of value has almost remained same. So there hasn't been any increase in the finance cost, overall finance cost is absolute number. And going forward, yes, definitely, as we are rationalizing increasing our SDA and LDA sales, which these payment terms are much better as compared to H2, we believe the working capital requirement would remain normal or within the same limits what we currently have.

Pratap Maliwal: Okay, sir. And again, I was comparing with some of our peers that are indexed to air condition and manufacturing. Even if I look at some other players, we seem to have the lowest margins in the peer group, even a player that is smaller in scale and shared one of our anchor customers, they seem to have margins in the range of 8% to 9%. A player that is larger also has 8% to 9%. But we are kind of in the 6% range that too on an annualized basis. So why is it that we have the lowest margin? And what can we do here to improve this profile -- margin profile?

Ajay DD Singhania: Pratap, I understand the concern, definitely, yes, there is an area of improvement for us, especially with the large set of backward integration and the cost associated. Currently, the margins look slightly stressed for us. But as the capacities created are being put-to-use, especially in off-season which for an AC heavy company, Q2 always looks stressed.

But as the capacity in terms of the component sales wherein we are improving the small domestic, especially air fryers, induction cooktops and washing machines, which are being built up, you will see the overall share of non-AC business has grown to almost from 45% to now nearing 50% on a year-to-year basis. So as we improve and we keep that momentum up, we will see a lot of things getting normalized as capacities get utilized.

Pratap Maliwal: Okay. And just one clarification, sir, regarding the washing machines for the Hisense, I believe you had pointed out pilot production and the time line. Could you please reiterate the line wasn't clear. I wasn't able to hear. So what is the commercialization status of the washing machine for Hisense?

Ajay DD Singhania: The Hisense washing machine we are talking about is the front load washing machine, which is a tech transfer done from Hisense. And the pilot production -- currently the pilot production is

ongoing. We'll complete all the pilot production by end of November. And then from December onwards, the mass production will start.

Pratap Maliwal: Okay, sir. Best of luck for the quarters coming.

Moderator: The next question comes from the line of Rabindra Nath Nayak from Nirmal Bang Institutional Equity.

Rabindra Nath Nayak: Sir, just your voice is a little bit muffled. I cannot listen it properly. So can you please correct that, that would be helpful. Sir, first of all, let me -- in the last year without PLI benefit, your gross margin was about around 12.4%. And this quarter, in current quarter, your gross margin is 12.8%. So -- and also there is an increase on Hisense. You mentioned that INR90 crores of uptake from Hisense. Am I right, sir?

Ajay DD Singhania: Listen, when we it is not fitting into this quarter. The number was approximate number for the entire Hisense.

Rabindra Nath Nayak: Okay. Okay. So last year, without PLI, your total sales and RAC was INR53 crores. And this year, like-to-like basis, it is INR161 crores it is a significant rise in RAC business. And also the last quarter, your gross margin was 14%. Despite the high contribution from Hisense's and also growth in the RAC, the gross margin has declined on a quarter-to-quarter basis, but it should have increased.

So whether the Hisense margin is low and also there is a significant traction in the small durable appliance from domestic appliances and also component has gone up from INR44 crores to INR109 crores and small durables has gone up by INR107 crores to INR163 crores. So despite that, your gross margin is so low on a quarter-to-quarter basis.

Whether the Hisense's margin is low and also this component and other segment, that is non-RAC segment is margin is still low. That is why our gross margin is still low, whether if -- in the coming periods, whether the RAC margin will contribute with the growth of the RAC margin RAC segment, will the contribution from the RAC margin will grow in the coming quarters or it is not like that?

Ajay DD Singhania: Mr. Rabindra, let me just put the correct number. I hope you already have them in front of you. So for the current quarter on a Y-on-Y basis, yes, the RAC revenue has increased from INR61-odd crores to almost INR161 crores. So that's 160% growth. Similarly, small and large domestic appliances has grown from INR107 crores to almost INR168 crores, so that's again 57% increase. Components has grown from INR32 crores to INR47 crores, that's 45% increase and others . So overall, yes, there has been an increase of 106%. And at the same time, like you rightly stated earlier, the gross margins have improved on a like-to-like basis, excluding PLI income.

So for last year, the gross margin was 12.4%, whereas current year, the gross margin is almost 12.8%. So on the gross margin level, yes, it has increased. The increase can be attributed to a couple of things, especially one is the growth in the non-RAC sales like SDA and LDA components. And -- but what we intend to say is the increase would have been much better

reflected if the RAC commodity impacts were being passed on much more in the real time, especially under the current turbulent situation, there is always a lag.

So that has slightly dragged down. But overall, still there has been increase in the gross margin, one. Two, what Rajeshji said in his opening remarks, the company has booked a forex loss of approximately INR10 crores, which has also led to a reduction in the gross margin, what we see in the numbers. So if both were not there, yes, the gross margins would have been much better.

Rabindra Nath Nayak: Okay. Okay. And you showed this BLDC motor joint venture. So what is the game plan here, whether we require BLDC motors for our applications. What is the game plan here?

Ajay DD Singhania: In terms of our exit from Epavo and the stake sale to Ram Ratna Group, RRWL 100% stake, the game plan is clear. Last 2 years, the company has almost booked a loss of INR12 crores, which has reduced its equity from INR22-odd crores to almost INR10 crores. So there was a loss of INR12 crores. And RRWL wanted to further scale up the business and we are trying to -- and are looking to venture into other businesses, other motors, the non-BLDC segment as well and the high FHP motors and others, which is not of great interest to EPACK Durable.

And EPACK Durable also has options to source motors. So while we will continue to work closely with Epavo even after the stake sale in terms of developing the customized BLDC motors, but the exit opens the doors for us to explore opportunities of buying motors from elsewhere as well, which we were earlier doing.

So motor -- BLDC motor as such is not an area of concern for us where otherwise, EPACK Durable already has in-house capabilities to manufacture almost all the other components like controllers, heat exchangers, cross flow fans, moldings sheet steel parts, everything in-house. So the core competence remains within EPACK Durable and motor, which we already have an option to buy from several other suppliers, we will have gates open for us.

Rabindra Nath Nayak: Sir that means...

Ajay DD Singhania: We see our exit from Epavo as more of maintaining capital discipline and not as a retreat. This brings the management focus into our core business, which we see is already showing great increase quarter-on-quarter. And going forward also, we believe that with the continued focus and capital discipline, we continue to grow.

Rabindra Nath Nayak: Okay. And lastly, one question regarding this RAC business. How much we do in the outdoor and indoor unit, the mix is how much in favor of outdoor and indoor. Can you please give it that number? In terms of percentage -- how much revenue would you do from indoor units, how much from outdoor units? That's what I'm asking.

Ajay DD Singhania: Overall revenue was INR160 crores in this quarter and almost INR780 crores for the entire actual for this year. The revenue is not calculated separately for indoor and outdoor units because RAC is sold as a single complete set to a customer. So we have -- we are doing 2 categories here, window ACs and split ACs. And our total installed capacity as on date is almost 2.3 million in set terms.

Rabindra Nath Nayak: Okay. And you have actually the compressor inventory or complete tie-up with the compressor for this entire year, whatever you are going to manufacture fully 100%?

Ajay DD Singhania: Yes. So in terms of Compressor, the current domestic manufacturing capability within India, which has now largely developed is we can claim that India is now self-reliant in terms of overall Compressor capacity available and the requirement. So we have tie-up in place. We have already been securing compressors from the 2 large players, Highly and GMCC, and they have ramped up their capacity. So we don't see any shortfall and we will work with them on a competitive basis.

Rabindra Nath Nayak: Okay. So what is the total volume you are expecting this year fully?

Ajay DD Singhania: So AC market, the market is on track to definitely grow this year. And our estimation is that for the complete year, the AC industry is looking at a definite growth of anywhere between 20% to 25% compared to last year.

Rabindra Nath Nayak: No, for your volume, I'm asking for '27 -- FY '27?

Ajay DD Singhania: So we don't give forward-looking numbers, but looking at the trend for H1, the AC business especially has grown in value terms by almost 58.4%. In volume terms, it would have grown by close to 40%, 45%. That's my estimate because there has been an increase in the ASP.

Rabindra Nath Nayak: So you mean to maintain that in the 45%?

Ajay DD Singhania: Rabindra-ji, we don't give out forward-looking numbers. But yes, we are looking at industry to grow and even competitive terms. And as EPACK continues its focus on increasing its share of business and growing partnership with newer customers, we definitely believe that we should outgrow the industry.

Rabindra Nath Nayak: Okay. I'm sorry, sir, I could not listen you properly. All the best.

Moderator: The next question comes from the line of Rajiv Mehta from YES Securities.

Rajiv Mehta: Sir, I mean, your voice is not very clear, but still I'm going to ask you on margins. Sir, on the margin side, is there any pass-through left from our side to our customer and which will reflect, say, from October onwards or in the second half? Is there anything -- is the lag pricing impact left for us, which will be reflected and will support a better margin trajectory in the second half of the year?

And if you can also tell us what would be your explicit margin guidance for the whole year, maybe next year also so that we need to understand how the operating leverage, how the leverage at the PAT level, earnings level will play out because we've been seeing that while the top line is increasing significantly, but your EBITDA and your PAT numbers are -- have been not commensurately growing. So if you can just give us whether any margin pass-through is left? And what is your explicit margin guidance and earnings growth guidance, maybe next year, whether you will see earnings growth being better than top line growth?

Ajay DD Singhania: So thank you -- on pass-through, yes, there is the portion still to improve because this is an ongoing process. So at any given point of time in real time, there will always be a lag because our pricing agreements with most of the large customers is on the basis of quarter-to-quarter. So last year -- last quarter's price increases are passed on in the following quarter, and that's how it has been working since several -- past several years for the entire industry. So at any given point of time, yes, there will be some lag. But having said that, overall, I would say there is not any significant gap left in terms of passing on the commodity inflation to the brand customers. That is point one.

So here, like I shared earlier, the biggest dent for us has been the forex fluctuation, which definitely is an area of concerns, and we are working on it. So forex fluctuation is something which is -- which cannot be passed on real time and the payment -- when the payments are made to the customer, the way rupee has been depreciating with regards to USD, especially with regards to CNY is an area of concern, and we are keeping a continuous watch on it. So that is something where we need to definitely work to improve our overall margins, one.

Again, in terms of the outlook for margin growth in the future, 2 areas which I mentioned earlier, one, with our discipline on recovering the PLI discounts, which are passed on to the brands earlier as we roll back in a phased manner, definitely, the margins would improve going forward. So that's one thing we see and we are working on.

And two is the product mix. So with especially the large and small domestic appliances being margin accretive as the overall mix of the product is changing, definitely, that will also help us to improve our overall product margins. So in terms of outlook, though we cannot give any definitive number. But yes, 2 levers which are put to work and on which we are working are rolling back the incentives of PLI incentives passed on to the brands and improving the overall product mix.

Rajiv Mehta: And sir, in line with the capacity expansion that we are doing besides Hisense, so whatever capacity is tied up for Hisense, Hisense will hopefully scale up. But for the other capacity, I mean, have we tied up with customers? How are you thinking about utilization of those capacity coming through in the next year or next to next year? What is the visibility on utilization of the upcoming capacity?

Ajay DD Singhania: Rajiv, in terms of our existing capacity, especially in our previous 2 plants, namely Dehradun and Bhiwadi, the capacity utilization is significantly much better. And we have been -- so those 2 plants have been delivering good capacity utilization for us and the revenue and the margins as well. For us, the challenge since last couple of quarters was always utilizing the capacity. Now one with Hisense production commencing and now further with multiproduct phasing washing machines as they are also ramping up and they are gaining penetration in the India market, that will definitely help us improve this asset utilization.

And at the same time, as most of the brand customers who have put up capacities in that area are -- have reached a scale wherein their capacities are also large that's another set of business that is coming to us down south. So with both this, we may definitely see a better utilization of

our newly created extra capacity we normally we put to use. And with that deliver on the overall capacity utilization is going to be significant.

Rajiv Mehta: And do we get some money by divesting that 50% in that JV to Ram Ratna Group? I mean, would we get some consideration what will be that consideration?

Rajesh Kumar Mittal: Consideration it is that 50% stake is INR15 crores.

Rajiv Mehta: Okay, Got it, sir. Best of luck.

Moderator: Ladies and gentlemen, we will take this as the last question for today. I now hand over to management for closing comments. Over to you, sir.

Ajay DD Singhania: Thank you all for participating in the earnings call for today. I hope we've been able to answer your questions satisfactorily. And thanks to DAM Capital for organizing the con call today. Thank you, all. Thank you so much.

Moderator: Thank you. On behalf of EPACK Durable and DAM Capital Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.