

Date: 1st November, 2023

To,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1 Block G
Bandra Kurla Complex, Bandra (E),
Mumbai- 400051.

Scrip Symbol: FOCUS
Series: EQ

Sub: Transcript of the Earnings Conference Call for the Quarter and Half Year ended 30th September, 2023.

Ref: Intimation of Earnings Conference Call dated 23rd October, 2023.

In furtherance to our Intimation of Earnings Conference Call dated 23rd October, 2023 and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Transcript of the Earnings Conference Call held in connection with the Un-Audited Financial Results of the Company for the Quarter and Half Year ended 30th September, 2023 on 30th October, 2023, is enclosed and is also available on the website of the Company and can be accessed on the following link:

<https://www.focuslightingandfixtures.com/investors/soaiim-fy-2023-24/>

Kindly take on record the same.

Thanking you,

Yours faithfully,

FOR FOCUS LIGHTING AND FIXTURES LIMITED

AMIT VINOD SHETH
MANAGING DIRECTOR
DIN: 01468052

FOCUS[®]

LIGHTING & FIXTURES LTD

“Focus Lighting & Fixtures Limited Q2 FY '24 Results Conference Call”

October 30, 2023



MANAGEMENT: **MR. AMIT SHETH – MANAGING DIRECTOR – FOCUS
LIGHTING & FIXTURES LIMITED**
**MR. TARUN UDESHI – CHIEF FINANCIAL OFFICER –
FOCUS LIGHTING & FIXTURES LIMITED**

MODERATOR: **MS. CHANDNI CHANDE – KIRIN ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the Focus Lightning and Fixtures Limited Q2FY24 Results Conference Call hosted by Kirin Advisors. 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 star, then zero on your touch-tone phone. Please note that this conference is being recorded. Participants, please note that this duration of the call will be for 45 minutes.

I now hand the conference over to Ms. Chandni Chande from Kirin Advisors.

Chandni Chande: Thank you. Good afternoon everyone. Thank you for joining the conference call of Focus Lightning and Fixtures Limited. I would like to welcome Mr. Amit Sheth, Managing Director, and Mr. Tarun Udeshi, Chief Financial Officer. Over to you, sir.

Amit Sheth: Very good afternoon, gentlemen, and thanks for coming on a conference call with us. This is Amit Sheth, Managing Director and CEO of Focus Lightning and Fixtures Limited. We can start the call immediately. Okay, I'll just go ahead with the results. So this quarter we have done 57.86 crores, which is 42.48% higher compared to last year. EBITDA is 13.11 crores, which is 57.79%. EBITDA margin is 22.65%, 220 bps. Net profit has shot up to 9.61 crores, which is 109.39%. And net profit is, in terms of margin, it is 16.61%, that is 523 bps. So we will straight away go for questions and answers.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Vikash from Acorn tree. Please go ahead.

Vikash: Good afternoon, Amit bhai. One thing I want to be understand, what about our railway? This one is a contract development stage, is there?

Amit Sheth: Yes, please. So, railway, we are still under development. We are still not approved. There is a new norm in railway. We were supposed to be approved by August, this August. But they have changed some norms. So, companies who have furnished all the criteria, they have to supply what they have done. Railway will be checking it for one year, see what the problems are, where the problems are. And if they don't find any problems, they will approve it. So, we are expecting the delay in process. We are expecting by next August, we will get the complete approval.

Vikash: It will take another one year time?

Amit Sheth: Yes, that is the process of government, which we cannot do anything.

Vikash: Okay, so till date, whatever our percentage is 20%, it is still going on as an approved vendor.

Amit Sheth: Yes, it is still going on as an approved vendor -- we come under approved vendor, we come under development source.

Vikash: Yes, correct. Whatever our long-term vision target of FY '26-'27 is INR500 crores, it is intact right now?

- Amit Sheth:** Sorry, whatever?
- Vikash:** Our long-term revenue target is INR500 crores, FY '26-'27. It is still the same number. There is nothing as a hamper on this side -- railways, highways?
- Amit Sheth:** No, whatever targets we have predicted or we are assuming that we will be doing it, we are bang on. In fact, we are better than whatever we have assumed. And then see, please understand that there will be one or two verticals which will go up and down. Whatever we predict, some verticals will perform, outperform and some verticals will not perform. So, this is something which we expect and there are government norms we are not able to do anything. There is very little we can do in this, you know.
- Vikash:** Okay, thank you.
- Amit Sheth:** So, to make it simple, we are sticking to our target and we are hopeful we will achieve it.
- Vikash:** Yes, I am not worried about your quarterly financial because we are very much in the line in the quarterly numbers and everything. So, hope it goes great. Thank you.
- Amit Sheth:** You are welcome.
- Moderator:** The next question is from the line of Parishit Kabra from PK Day Advisors. Please go ahead.
- Parishit Kabra:** Hi, Amit. Congratulations on a fantastic result.
- Amit Sheth:** Thank you very much. Parishit.
- Parishit Kabra:** Amit, I wanted to first understand if you can share the vertical-wise revenue split from the retail business to the home business to the infrastructure and outdoor business?
- Amit Sheth:** I think Kirin has already sent a presentation where it clearly just to avoid, you know, other questions. Kirin has already sent you vertical-wise division. So, if you can just look into it, it will be easier.
- The whole idea is that people don't miss out on other questions. You know, every time what happens is that only four or five people can ask questions and others, they still stand in the queue. So, vertical-wise detail has been given. If you still don't have the details, yes, you can take it from Kirin Advisor. If it's fine with you.
- Parishit Kabra:** Okay, Amit. I just skimmed through the presentation, but I didn't see it. But that's fine. I'll follow up with Kirin later. Just as the second question then, the retail business that, you know, the one that you're supplying to retailers, you said that you had already made inroads with IKEA in their Middle East business, I think, in the previous presentation. So, I was just wondering, can we get a sense of the share of wallet we have for their business there?
- Amit Sheth:** It is still on the design stage. It is still on the design stage till Middle East is concerned. And typically when IKEA gives any project in hand, it takes six to eight months or even sometimes one year. Because everything is done in the start when they start building up their showroom.

- Parishit Kabra:** Got it. So, can we get a sense of when we can start from both Mercedes as well as IKEA, when we can start expecting?
- Amit Sheth:** Mercedes has already started. We have some fraction and business coming from Middle East and Egypt. And till IKEA is concerned, IKEA will keep rolling. We are working towards it.
- Parishit Kabra:** Got it. And you also said that, you know, you're trying to make headways to get into their Europe retail outlets as well. How is that progressing?
- Amit Sheth:** So, for that, IKEA, when it comes to Europe, that is only when it will move further. Because they have to come, because they have to see how infrastructure and then only things will move. So, that is still moving further as of now.
- Moderator:** Thank you. The next question is from the line of Devdeep Sarkar from Individual Investor. Please go ahead.
- Devdeep Sarkar:** Good afternoon. Very good afternoon. Very good afternoon and congratulations on the great set of numbers.
- Amit Sheth:** Thank you very much.
- Devdeep Sarkar:** Yes. So, the company has periodically conducted one-on-one meetings with funds like Ashika in credit evaluation to name a few. Could you please inform us whether these meetings have resulted in the acquisition of a stake in the company by these funds?
- Amit Sheth:** I'm not tracking it, honestly, and I have no idea. So, I don't see the buying force regularly and I have no idea whether they have invested with us or not.
- Devdeep Sarkar:** All right. So, could you at least give us a sense of the company they recognized after having a meeting with you? Like, were they impressed?
- Amit Sheth:** I think we are not the right guys to ask whether they are interested or not. They are the companies to be asked, right? Our job is to do meetings with them to make them understand what we are doing, what is our progress, what is our strength, and where we are heading to. Whether they are interested or not or whether they have even participated.
- Okay, they invested in focus is something they can answer or whether they want to invest in future. We don't follow up with them. We don't follow up with any funds. Our core is not to follow up with funds. Okay, for investment, our core is to do business, which we have today. So, this is what we are focusing on.
- Devdeep Sarkar:** All right.
- Amit Sheth:** And as a company, it does not matter to us.
- Devdeep Sarkar:** Okay. All right. So, next, I would like to briefly discuss on a potential market opportunity that the company might consider. So, during my research, I came across a foreign company called Elation Lighting. It's an American brand. They specialize in providing lighting solutions for

stages, concert halls, site performance, entertainment industry. Since that segment might grow a lot in India in the coming future...

Amit Sheth:

We are not in that industry and that is not a focus we have as of now. Entertainment is a complete different industry and that is not the focus we have. Our focus is very clear. I'll just repeat it and so that it becomes easier. We are focusing on retail, which is still a large chunk of our business. And retail, we were foreseeing that it will become a commodity market.

But because of the new technologies, what we have come out with, it's a patented technology, wherein our customer will be able to save on energy by 40% to 50% and save on the product. Where they were using four pieces, they will be using one piece from us and get the same lighting effect, which will give us a good traction.

We have just introduced it. We have got some positive sign. And this is something which we want to introduce everywhere. Till Europe is concerned, we have a technology wherein we can save on 40% to 50% on the energy and have a better effect in retail industry. And that is what we are trying to do to have in those in European market. European market, when it will happen, we don't know. We have just started venturing for it.

So another two to three years, we will have some foothold in Europe. Railways, once we get the approval, yes, railways will start in a bigger way. And it will add to substantial turnovers in our balance sheet. Third is outdoor. Outdoor is divided into three areas. Currently, what we are focusing is landscape and facade lighting.

Landscape and facade lighting is a large value, very large value. The orders are very, very large. It can help us in improving our turnovers by almost 2x and 3x, only the outdoor profile. We have been trading from last two years. This was the first year where we launched a very small section of outdoor fixtures. And we have got a very, very positive response from the industry.

The technology is patented again. There are certain outdoor norms which industry is not complying to. And we had a breakthrough. Today, we are talking to the company who has invented this technology to have exclusivity worldwide, not only for India market. So we are still on a nation stage of discussion. If we take this exclusivity, then we have monopoly worldwide.

The technology what we are bringing in outdoor lighting to the industry does not have. So we are getting this technology patented. The exciting thing is we are reducing the inventory by almost 40% to 60% because one component works for all the different effects in outdoor. And that is the most exciting and it is making life easy and it is defining. It is also helping designers as well as architects which have limitations to overcome those limitations with this technology. So third is the outdoor part what we have. And we are very, very bullish.

Home lighting, we are invested very heavily this year. The results have been extremely good. We are growing year-on-year by almost 100%. And we are investing very heavily. We have 22 channel partners. We will double the channel partners by next year. That is the whole idea and

target. We are introducing some exclusive patented high-end technologies. The margins and the profitability is very, very high in home lighting.

So these are the only four verticals currently we are focusing on. We have one more vertical, IoT, but IoT we are not focusing very hard on. Probably, IoT is at a very nascent stage. But because of these four verticals, we want to first have a very strong foothold on these four verticals then move further.

Devdeep Sarkar: All right. It seems that each vertical is very heavily remunerating the company in a very big way. So thank you. Thank you for your answer. I will get back on the queue if necessary. And all the best.

Amit Seth: Thank you.

Moderator: Thank you. The next question is from the line of Vaibhav Shah from Kojin Finvest. Please go ahead.

Vaibhav Shah: Hi. Congratulations on a good set of numbers. So I have two questions. One is related to our project business. What is our current order book pipeline?

Amit Seth: I have been repeatedly telling in all the calls that we don't have order books. And what I request investors is that see please understand that a lot of people are waiting in queue to ask some important questions. So please take this information and then if we discuss it, it becomes fruitful for us. As a company, we don't have order books of six months and one year. Project business doesn't work that way. Project business is we get an order, we have to furnish it in one month to three months' time.

We work with brands. Brands, we don't have exclusivity. But when we work with brands, if it is designed by us, then it is expected that we will be doing business with them for coming three years' time. But there is no order booking that these are the orders you have to supply in two years, three years' time. No, there are no order books. Next question.

Vaibhav Shah: I am not asking for the order book. I am asking for the last two orders that you have shown to the exchanges. One is of Bade Baba Temple and another is of Surat Fort. Apart from this, any new development in this segment? First, my question was that. So if any new update from the new project business?

Amit Seth: Yes, so we are working on a lot of large projects which are future orders. Currently, it is an inquiry. It has gone under a tendering process and it will come to us. I don't know whether this is the right call to discuss about the future. But we are working on a lot of large high value projects. Especially in Mumbai, we are working on. We are working in Gujarat. These are the two areas where we are working on a much larger scale than what we did like Bade Baba or Kundalpur. Bade Baba, Kundalpur or Surat Fort. We are also working on Central Vista and Central Secretariat. Those are ongoing projects and regular orders have been released every quarter.

Vaibhav Shah:

Okay. And apart from that, my next question is related to your R&D spend. So during this first six months, how much you have spent on let's say, designing of the new product that you have just mentioned to the previous participants? You are developing new products in various categories for retailing.

Amit Seth:

I don't have the exact numbers. I'm really sorry for that. But I'll be very honest with you, in this year and another two years, the amount of spend what we'll be having in product development technology will be the highest what Focus has seen in the last 20 years. Just to give you an idea, this year we have launched almost 70 new different systems for the industry, especially for retail and home lighting. And now outdoor. And we are having a special development design team in-house, which we already had, which has the strength of some six, seven people. Now we are almost doubling it.

The whole idea is that we are entering into a field called outdoor and we've got a monopoly in the industry today. And those products are being patented worldwide, including India. All the last patents we didn't had India and China. Now there is a patent for on India also. And this exclusivity, what we have taken is only not for the Indian market, but we are taking it for the world market. So it's a patented technology, which we are working not only in India, but all over the world.

Now, this technology, when it is patented, it gives you certain advantage. So for that, we need a lot of products to be designed and developed. So coming three years' time, there is going to be a very heavy investment from our side on developing this vertical. If you remember that I was very clear that we want to somewhere we are trading at 16%, 17% net margin. And we want to improve it to net margin of 20% to 22%.

And this is one industry because of the sort of monopoly and the type of technology break what we had. I cannot go into the technical because you guys will not understand. I am very happy to make you understand if you want to understand. Nonetheless, what we have done is the breakthrough what we had. We are very, very bullish that this will give us an upper edge among the top 5 companies or we will be better than those top 5 companies in the world.

Vaibhav Shah:

Okay, fair enough. That is good to hear. Another on the similar lines, another question is on your home segment. You just told that you are having around 22 channel partners for data verticals. So are we opening new experience centers like currently you have in Mumbai in another cities or are we still relying on...

Amit Seth:

So we are working in two ways. I understood your question. I will just quickly answer it. We are working two ways. A, we have our own company, own experience center. And company own experience center is in Bombay. It is in Ahmedabad. It is coming up in Bangalore. Bangalore, we should be opening it by December. There is some delay that is happening. And Bangalore should open by December, which will help us to scale up gradually.

What we are doing is we are investing with our channel partners, wherein we take the 50% of the cost of the experience center. And they open exclusive experience center for Focus, wherein we do not pay upfront 50%. We give them better discounts whenever we supply

products. So our investment is not there. At the same time, there is an exclusive experience center, which is coming up for Focus, for home lighting in particular, including infrastructure lighting.

Vaibhav Shah: Okay. So you are talking about the Bangalore one.

Amit Seth: Yes. So no, Bangalore is company owned. So now we will be having three company owned showrooms. One is in Bombay. One is in Ahmedabad. And third one is coming up in Bangalore. Fourth one we will have in Delhi. Fifth one we will have it in Dubai. These are the five company owned. Rest all will be with channel partners.

Vaibhav Shah: Got it. And if you have any number on your current two stores, how much revenue that they are generating?

Amit Seth: It's very difficult to tell the revenue which is generated from the store. This store is not meant for doing actual business. This store is supposed to support channel partners. Okay. So what happens is just to make it easy for you. We got Delhi airport. We did Delhi airport, which was one of the largest projects we did. Okay. Which was somewhere on INR18 crores. It is still ongoing. We are getting some additional orders. So it is tuning to INR20 crores, INR25 crores. All put together.

Now this Delhi airport happened because the consultant from Switzerland flew to our experience center and our factory. And we could show them the technology what we are working on. They got trust on it. Okay. But it was not a direct business that happened at our experience center. So the marketing, the support was experience center. So we look at the experience center to give either direct or indirect benefit. Direct benefit is when the customer comes and just buy it. Which is a very small number. Indirect benefit is large projects.

Vaibhav Shah: Got it. Fair enough. And one last thing from my end. What will be the -- you say, the patents you have told you are doing. So patented, we have filed or we are in the process?

Amit Seth: No. Patents are all. We have not filed. The company who invents. There are two parts here. Okay. We see the bottlenecks in the industry. We do feasibility study. We do a lot of research in the industry. What are the, what are the companies do worldwide? And after that, we said, okay, these are the areas where we want to improve. And those areas, if they are not improved by the industry. And if you are improving it, those technologies, we want to get it.

So the company who we invest on the technology company develops the technology. The company who develops the technology, they take the patent. Till date, we were taking exclusivity for Indian market. Because this, this technology is so unique and it, it will, it will actually disrupt the whole industry. So this thing we have, we are taking a conscious call that, we'll take the exclusivity worldwide.

Vaibhav Shah: Fair enough. So, yes. Thank you so much for the answers and all the best.

Amit Seth: Thank you.

- Moderator:** Thank you. The next question is from the line of Devdeep Sarkar. Please go ahead.
- Devdeep Sarkar:** I had some finance related questions. So could I please get Mr. Udeshi on the line?
- Tarun Udeshi:** Yes, I'm on the line.
- Devdeep Sarkar:** Yes. Mr. Udeshi, there has been a trend in which the receivables has been, which is increasing. So could you please tell me which segment is the major contributor in this scenario?
- Tarun Udeshi:** So segment wise details, I think Kirin will send it to you later on. But currently I can say, retail is doing -- retail has a larger contribution compared to other three verticals as of now.
- Amit Seth:** No, Tarun, the question is that the receivables are increasing.
- Tarun Udeshi:** Receivables are increasing? Sorry, I did not hear that. Sorry, I thought about the sales. Receivables are increasing? Receivables have decreased.
- Devdeep Sarkar:** Actually, the receivables jumped from 32 to 53 this time?
- Tarun Udeshi:** So the turnover has also jumped, right? See, if you see the receivables below -- above 180 days, those have reduced and receivables below 180 days have increased. So that is because of the turnover.
- Amit Seth:** The thing is you have to look into the percentage, not into the absolute numbers. If the absolute numbers, if you're looking into the absolute numbers, numbers, then you have to understand the turnovers have jumped. But in terms of percentage, we have improved our receivables. This is what Tarun is trying to tell you.
- Tarun Udeshi:** Yes.
- Devdeep Sarkar:** All right. I get that. Still, the question which I was asking is, could you specify on the segment which is contributing to this receivables part?
- Tarun Udeshi:** It is a retail segment. And infrastructure segment as well.
- Devdeep Sarkar:** Okay. All right. Thank you. So the retail and the infrastructure segment, that answers my question. Thank you.
- Moderator:** Thank you. The next question is from the line of Prakash Jaiswal from Shree Capital. Please go ahead.
- Prakash Jaiswal:** Congratulations for the great set of numbers. I just wanted to know what is the product pipeline? Any launches done in H1 FY '24?
- Amit Seth:** Already informed Mr. Jaiswal. Almost 60%-90% this year. And this coming three years will be one of the largest development in terms of product launch, in terms of technology, which Focus will have. So we are launching products in retail industry. We are doing some exclusivity for railways where we have developed a very exclusive product designed for

Vande Bharat. They had a lot of problems with the quality of light in Vande Bharat. So we had taken the initiative in developing it.

We are launching products for outdoor lighting, where we have just started getting traction. We started with some six products, but all the six products were patented products. And industry has been really happy and surprised with the technology and with the quality of the product what we have launched.

We are working more harder on outdoor segment, which is mainly facade lighting. The idea is that we can do a lot of historical places like forts, temples, which is very, very big in India. And which is becoming a much bigger business here because of the travel and tourism business, which is becoming very big here. So there is, for example, Ram Mandir, which is coming up. Just to give an example. There are some 80 temples are in pipeline, which are looking for new lighting and 3D projection mapping. So products have been developed on those lines, if that is a question.

Prakash Jaiswal: Thank you. And sir, any capex done in H1 FY '24?

Amit Seth: Tarun, if you can answer this?

Tarun Udeshi: Yes, we have done a lot of capex in both these quarters, in first quarter and second quarter also. In terms of tooling, in terms of machineries, in terms of computers and all, there are three major increase in capex in this quarter, two quarters.

Prakash Jaiswal: Sir, can you quantify an amount?

Tarun Udeshi: Sure. In tools, we have done around INR3 crores of addition. In computers -- INR3 crores in plant and machinery, that is in terms of tools and machinery. And in terms of computers and relating, supporting like servers and all, we have done around INR60 lakh, INR58 lakh of addition.

Prakash Jaiswal: Thank you. And sir, plan for FY '24 and FY '25?

Amit Seth: Plans are, we are very bullish today. And we are sticking to the plans, whatever we have discussed in past. And we are looking for an average of 25% to 30% year-on-year. That is what the target is. Maybe the growth will be much higher than what we are expecting. It all depends upon how fast we are able to roll out the products, especially the new systems for home and outdoor. Because that is an area where we see the business not growing, exploding.

Prakash Jaiswal: Okay. Thank you.

Tarun Udeshi: Thank you.

Moderator: Thank you. The next question is from the line of Vaibhav Shah from Kojin Finvest. Please go ahead.

Vaibhav Shah: Hi. Thanks for the opportunity again. Just one or two follow-up questions. I just wanted to understand your current capacity and utilization level of your Ahmedabad manufacturing facility?

Amit Seth: Yes. So, current capacity, we are already underutilized when we designed this factory. When we planned this factory, it was planned that till INR400 crores to INR500 crores, we should not have problems. And that is what we have been doing it. And this is how it was planned. So, we still have 40,000 square feet of space, which can always be utilized.

The type of business that we are going for in future, we want to do a lot of things which we have been doing through OEM outside. And that is one of the reasons we might plan for a second unit. It is still not finalized, but we are just contemplating it. It is not for the turnover. It is for adding-value and increasing the profitability.

Vaibhav Shah: Got it. So, the spare 40,000 square feet, you are saying, so it's in the same existing facility?

Amit Seth: It's the same unit, same factory.

Vaibhav Shah: So, if you want to add the new machinery and things, so how quickly?

Amit Seth: No, it is a little complex. It's not about adding this machinery. So, there are different lines and different systems what we want to work on, which is done outside. So, maybe we will use this factory for assembly, existing factory for assembly. And maybe we will think of going in future for some other factory. We are just contemplating. We are still not very clear about it.

Vaibhav Shah: Fair enough.

Amit Seth: Just an initial thought we internally have. I am sharing it. I am very happy to share with you guys. But maybe we will continue here only. So, for us, to make it short and sweet for you, for us, today, there is no immediate requirement. If the turnovers are going higher, that will be short of capacity. No, the answer is no. We are not short of capacity.

Vaibhav Shah: So, the question came because of the previous participant, you said, the quantum of business you are seeing in the outdoor and home project is tremendous. So, how quickly we can monetize it?

Amit Seth: We are already monetizing. See, nothing is built overnight. We are manufacturers. We are not traders. Sometimes clients also ask us in a very simple way that we need the material tomorrow. And we say that, okay, you cannot have a baby in six months. If you put more people also, you cannot have it. That's a fact. So, same thing, there is a process in manufacturing. Since we are manufacturers, there is a design process, technology, evaluation, combining the technology into design. That process is not going to improve.

From one year, we can bring it down to eight months, six months, but not better than that. So, that's a steady process and that is where we see the growth. And this is how we are forecasting our growth. Coming three years, we'll do outdoor development. At the same time, we are still getting traction from the market. We are still getting business from the market. Home lighting,

when we started, it was a very, very small thing. Today, we have come to a level where we can look for a market share.

But it's a vertical, which was, if that vertical is not there, also, it does not concern to us. So, we are not under pressure that we need that vertical to grow overnight. Because other verticals are performing well for us. So, for us, those verticals are adding value to us. Those verticals are reducing our cost, operating cost. Those verticals are helping us to get a better, larger market reach. And also, each vertical complements to each other.

Vaibhav Shah:

Okay. Got it. Thank you so much.

Moderator:

Thank you. The next question is from the line of Jatin Mistri from Global Capital. Please go ahead.

Jatin Mistri:

Good afternoon. Congratulations on your set of numbers. I just want to know, any product launch planning in H2, FY '24?

Amit Seth:

Yes, see, product development, product launch, now has become, there was a time where we used to launch every three years. But today, it is happening every month. Okay, we are launching products every month. The only reason for we launching and we are working very hard on development is, we very strongly believe that if you don't innovate, if you don't develop, your growth is stopped. And today, we are on a launch pad. We are still not launched like a rocket. There is still, I see a long way where it will be galloping. So, we are not stopping here.

The only aggression right now we have is to develop new, unique, patented, exclusive technologies which industry is not giving, which industry is suffering from years together with the limitations of the product. So, we are not just launching. We don't want to launch something which is already there in the industry. We are into project business. And in project business, we are not Philips. We are not Philips, Havells, SYSKA, where it sells because of the name.

Till focus is concerned, we sell in the industry because we are unique. We are different. So we go through that long process. And we have taken enough time to develop those technologies. And now is the time to launch products. So, you will see every month, every quarter, a large rollout of products. But at the same time, we are very cautious that whatever we launch has to have some differentiation, uniqueness, which industry till date was not offering. And this is not only concerned to India market.

See, today, if not today, tomorrow, we will be launching this in European market, in US market. And we want those technologies to speak for itself. We have that exclusivity. And because the world is an open market today, you get everything in India. So European companies are there in India, US companies are here in India. So, we have to be step ahead of them.

So, yes, development every quarter, every month, we are launching something or the other, as and when the products are getting ready.

- Jatin Mistri:** Okay, sir. Thank you. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Mudit Chopra from Wise Capital. Please go ahead.
- Mudit Chopra:** Congrats, sir, for the good set of numbers. Sir, as you said that you have developed product for Vande Bharat, my question is, are we approved by railways for supplying that? Or when we are expecting to get approval for supplying that product in Vande Bharat?
- Amit Seth:** No, see, this is an initiative. And after the discussion and after the feasibility study, what we've done on Vande Bharat, and we found out that they were facing problems because they have limited suppliers. And it's a new development for railway authority also. So there were two criteria when we did this development. The criteria was that a Vande Bharat has really improved the positioning of railways. Till India, railway, typically, if you ask, railway is always dirty, workmanship is dirty, or finishing are not good. Okay, that is what the psychological common people have. And they are really struggling hard to come out of that.
- And Vande Bharat was one way of showing that, we can also, we have vision. This is from the railway's perspective. Now, from the lighting perspective, they had a lot of issues and problems, but they were surviving. Lighting is a very small component. For an industry like us, it's a very big thing because the turnovers are very big. But for them, it's a very small component. So it was somewhere ignored also. So we showed them, okay, these are the problems you guys are facing. And this one element can also add a lot of value. You should take it to the international level.
- So this initiative was not by railways. This investment was done by us. We took the risk of developing this product. And today, that product has gone for an approval to them. And they have a process of approval. So it will go for testing. They will test it. It will go, then their lab will approve it. Then it goes to ICF. ICF will approve it. And then it will come to us. If everything goes fine, then we have a monopoly.
- Mudit Chopra:** Okay, so if everything goes fine, then how much time approximately it will take? Is there any guidance about that?
- Amit Seth:** Once it's approved, we start getting orders. And honestly, it is not just for the...
- Mudit Chopra:** How much time they will take to get approved?
- Amit Seth:** I have the same anxiety about this, the way you have it. And honestly, it's a government body. Even the way you don't have the answer, even I don't have the answer. The only thing what we are positive about is that they have loved it. They love the technology what we are introducing for them. And they are really excited for it. So we are just waiting that once the testing and everything, they approve it as per their requirement. And once they approve it, then we have a sort of a monopoly. Not only monopoly.
- See, we are not looking at -- it's just two products what we have designed for them. But just imagine that in the history of railway, nobody has done this, what we are doing today for them.

Why did we invest? What was the idea? We had a lot of brainstorming here. And the reason for we investing on this, we upgrading railway was that we are building a brand with railways.

Today, that amount of investment, what Indian railways has, somewhere they do tendering system. But they also have the power for their important installations of the trains. They have the power to give it to one company if they are sure that the quality is very high. We want to position ourselves that way. So, the reason we got this design done from Germany. Why we did from Germany is because we wanted genuinely to give a product which is very high quality.

Mudit Chopra: Got it, sir. And sir, secondly, I think to the previous call, you said that you will get developed source from railways by May 2023. But due to some changes in their guidelines and all, we are expecting in some time. Is there any update about the developed source?

Amit Seth: Sorry, you are saying something.

Mudit Chopra: Sir, in earlier call, you said that you are getting developed source in railways by May '23. But you didn't get that. And you said that there is some meeting and they might change some guidelines. So, is there any update about that meeting or when we will get the developed source?

Amit Seth: They have changed the guidelines. That is what I told. Somebody also asked this question before, and we have already informed that the guidelines are now changed that whatever products we have supplied as a development source, that product, they will monitor it for one year. And after one year, they will make it as an approved source.

Mudit Chopra: Okay, sir. Got it, sir. That is it from my side.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to Ms. Chandni Chande for closing comments.

Chandni Chande: Thank you, everyone, for joining the conference call for Focus Lighting and Fixtures Limited. If you have any queries, you can write to us at research@kirinadvisors.com. Once again, thank you, everyone, for joining the conference.

Amit Seth: Thank you.

Moderator: On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines.