

To,
The Listing Department
National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Company Code: NSE-GREENCHEF

Sub: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI LODR Regulations") _ Disclosure of Material Event relating to Financial Performance.

We wish to inform you that during the current half-yearly financial results 30.09.2025, the Company has reported/incurred losses. The Board and Management believe it is important to communicate the underlying reasons for this performance transparently and to outline the steps being taken to ensure stronger and more profitable future periods.

The losses incurred during the year are largely attributable to **one-time and transition-related factors**, primarily arising from the strategic relocation of our manufacturing operations to a new, owned facility. The key reasons are summarized below:

1. Factory Relocation Costs:

During the year, the company relocated its entire manufacturing operation to new premises. This involved significant one-time expenses related to dismantling, transportation, reinstallation of machinery, infrastructure setup, and related logistics, which impacted profitability for the period.

2. Production Loss During Transition:

The relocation process resulted in temporary disruption of production activities. This led to lower capacity utilization for a considerable period, resulting in loss of production volumes and inability to service certain customer orders on time.

3. Training and Higher Labour Costs:

As part of the shift to the new premises, the Company inducted and trained new labour. During this learning and stabilization phase, labour productivity was lower, leading to higher labour costs relative to output.

4. Tightened Credit Period to Customers:

To maintain financial discipline and liquidity, the Company tightened its credit terms for general trade customers. While this strengthens long-term cash flows, it has temporarily impacted sales.

Greenchef Appliances Limited

Plot No : 503,504,505, Vasanthanarasapura 2nd Phase, SY. NO 96, Yalladadlu Village,
Kora Hobli , Tumakura Taluk, Kora, Tumakuru, Karnataka, 572128.

CIN No: L29300KA2010PLC054118



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5. Lower Margins on Strategic Sales:

To compensate for the expected loss of sales on other channels, the Company made a strategic decision to supply large online platforms at lower margins, with the expectation of higher volumes. However, due to production losses during the relocation, the Company was unable to fulfill the expected order volumes, resulting in margin pressure without the anticipated scale benefits.

6. Simultaneous Rent and Depreciation Burden:

With the completion of our own manufacturing facility, the Company incurred depreciation expenses on the new building, while rent obligations on the earlier rented premises continued during the transition period. This overlap created a temporary cost burden.

7. Higher Working Capital Financing Costs:

As a responsible buyer from MSME vendors, the Company complied with the statutory payment timelines of 45 days. This led to increased reliance on working capital financing, thereby increasing interest and finance costs.

Outlook and Way Forward

The Management is confident that the challenges faced during the year are **non-recurring and transitional** in nature. With the relocation now in near completion:

- Production operations have stabilized, and capacity utilization is steadily improving.
- The new owned facility is expected to result in **lower operating costs** and improved efficiency over the medium to long term.
- Labour productivity has improved significantly post-training.
- Order execution capabilities have normalized, enabling the Company to fully capitalize on existing and future customer demand.
- Working capital management initiatives are being strengthened to optimize financing costs.

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The Company believes that these structural improvements position it well for **enhanced profitability and sustainable growth** in the coming periods.

We sincerely thank our shareholders for their continued trust, patience, and support during this transformational phase. The Management remains committed to creating long-term value and delivering improved financial performance.

The meeting commenced at 4.00 PM and concluded at 10.10 PM

You are requested to take the same on your record.

Thanking You,

For **GREENCHEF APPLIANCES LIMITED**

Hemashree S

Company Secretary & Compliance Officer

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