

August 18, 2025

To,
Listing Department,
BSE Limited,
Floor-25, Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai- 400 001

Scrip Code: 505729

Sub.: Transcript of Investor Conference Call for the quarter ended June 30, 2025.

Dear Sir/ Madam,

In continuation to our earlier letter dated August 05, 2025, filed in terms of the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding participation of the management of the Company in an Investor Conference Call, to discuss the performance/ results for the quarter ended June 30, 2025, scheduled for Monday, August 11, 2025, at 03:30 P.M. (IST).

In this regard, the transcript of the Investor Conference Call is attached herewith. Further, the said transcript is also available on the website of the Company i.e. www.singerindia.com.

You are requested to take the above information on record.

Thanking you,

Yours Sincerely

For Singer India Limited



Rupinder Kaur
Company Secretary & Compliance Officer



*Q4 FY25 Investor Conference Call Transcript
August 11, 2025*

**"Singer India Limited
Q1 FY'25 Investor Conference Call"
August 11, 2025**

Management Team Represented by:

Mr. Rakesh Khanna, Vice-Chairman and Managing Director

Mr. Subhash Chand Nagpal, Chief Financial Officer

Chirag Jain – Moderator, Emkay Global

Good afternoon, everyone. This is Chirag Jain from Emkay Global. I would like to welcome you all to the Q1 FY 2025–26 Earnings Conference Call of Singer India Limited. Today, we have with us, from the management team: Mr. Rakesh Khanna, Vice Chairman and Managing Director, and Mr. Subhash Chand Nagpal, Chief Financial Officer.

We'll start the call with opening comments from the management team, post which we will open the floor for Q&A.

Mr. Rakesh Khanna – Vice Chairman and Managing Director

Thank you, Chirag. And a very warm welcome to everyone who has joined this call. We are extremely grateful for your continued interest in our Company.

Following interest from many of our shareholders and analysts, we are happy to hold our first-ever earnings call. I'm sure most of you have already reviewed the quarterly numbers and our investor release. At the outset, I must say that this was a highly unusual quarter, with a drop in revenue that naturally impacted our profitability. Let me walk you through the key highlights, category by category.

In the sewing machine category, we recorded a strong growth in the promising zigzag segment. Revenue grew by a healthy 38%. Globally, the domestic sewing market is dominated by zigzag models, and we believe they represent the future of the domestic segment of sewing machines in India as well.

This growth was further supported by the introduction of Husqvarna Viking sewing-cum-embroidery machines, which have gained strong traction in a very short time. Both Husqvarna Viking and Pfaff are outstanding global brands, and we look forward to building on this momentum with them.

In the traditional cast iron sewing machine segment, the revenue declined. However, I'm pleased to share that we secured a significant purchase order of 2.8 lakh machines, which is approximately 200-plus crores, under the Pradhan Mantri Vishwakarma Rozgar Yojana — what we call PMY — representing 70% of the total requirement under the scheme.

During the quarter, our trade partners did not receive other state government or institutional bulk orders, which appear to have been postponed in light of the PMY rollout. This absence of regular institutional demand was a major factor in lower sales of this segment.

While taking note of the fact that the PMY order is currently sub judice in the Court, there is no stay on supply, and we have already commenced deliveries as per the buyer's schedule.

In our continued effort to bring excitement in the market with innovation, we have introduced colored machines at the same price point as traditional black models. The response has been encouraging, with over 10% of sales now coming from colored variants.

We are also introducing other exciting models like square ARM, link machine, which is a completely redesigned machine, and we hope all of them will bring further interest in this category.

In the industrial sewing machine category, we achieved more than 29% revenue growth in last year's financial year 2024–25. However, this quarter remained flat compared to last year, due to high trade inventory following bulk purchases by trade at the year-end in March 2025. While primary sales were flat, secondary sales continued their growth.

We also launched multi-needle embroidery machines, which we believe will strengthen our position at trade level going forward.

Overall, sewing machine revenue declined by 4%, primarily driven by cast iron segment decline, but we are confident of more than offsetting this in the coming quarters. Importantly, we maintained gross margin at the same level as the corresponding quarter last year.

In appliances, the quarter was impacted by a shorter summer and intermittent rains, which hurt cooling product sales. This led to higher trade inventory, blocked warehouse space, and tight dealer cash flows, affecting not just cooling products but other categories as well on the same counters.

Revenue in appliances declined by 14%, primarily due to the cooling segment. Gross margin dropped by 100 basis points, mainly due to adverse product mix from lower sales of high-margin cooling products.

Overall expenses were well controlled. The increase we saw in the expenses was mainly due to higher brand promotion spends, which was in line with our strategic intent, e-waste compliance costs, and additional frontline support for sales and service — particularly the zigzag, embroidery, and industrial machine segments — which are the future growth areas.

Unfortunately, we had a fire incident in our Delhi office. Thankfully, no one was injured, and business operations remained unaffected. All data was securely stored on the cloud.

While the office is currently non-operational, we have shifted to a temporary location until a new permanent office is ready. I want to thank our team for their patience, understanding, and solidarity during this period.

On the BIS licensing front for zigzag machines, I want to inform you that we have sufficient stock and are confident of maintaining healthy inventory levels to ensure uninterrupted supply.

In the appliances category, to strengthen our presence in the high-potential fan segment, we have onboarded Sunil Singh, who brings over 30 years of industry experience. In the coming months, we plan to ramp up our fan lineup to drive growth in this category.

In summary, we believe this quarter's revenue drop is transitory and not indicative of our underlying growth momentum. Our underlying growth drivers remain strong, and we are confident of delivering on our plans for the rest of the year.

Thank you. We can now take up your questions.

Moderator

Thank you. We will now open the floor for the question-and-answer session. Participants, if you have a question, please use the raise hand option in the reactions tab. We have a first question from the line of Anurag Chheda. Sir, please go ahead.

Anurag Chheda - Thank you for the opportunity. I wanted to ask, what percentage of your overall revenue are you targeting from the Home Appliance segment in the next 2 to 3 years?

Rakesh Khanna - See, our current Home Appliances segment is reasonably small, and we are building upon this. However, appliances are going to be a growth segment for us because that's where the potential lies. While the appliances will grow at a faster pace, the sewing machine is also going to continue to grow at a fast pace, because we see a lot of potential in the sewing machine category as well.

We're going to be focusing on the industrial category, on the zigzag category, and even the black category. So, the growth momentum in both of them are going to be equally high, and I do not see a very major shift coming in some time in the appliances versus sewing machine revenue.

However, a lot will depend on the kind of traction we build up on the fans business, which is going to be our growth driver. So, it will be difficult to give you exact figures, but the growth from both the segments is going to be high, and that is going to result in not a very significant shift in the mix of sewing machine to appliances business.

I hope, I have answered your question.

Anurag Chheda - Ok, I have one more question. What new products are you planning to launch in the Home Appliance segment?

Rakesh Khanna – Ok. So, in terms of categories, we are not changing much of the category, but the focus area, as I said, is going to be fans. On top of it all, in fans, we are launching a full portfolio of 68 SKUs, which will be launched in the period of the next 2 to 3 months. That's going to be our biggest focus area.

Apart from that, we are continuously building up on the cooler segment, which we believe is a very very profitable and high-growth segment. We are also going to be building up on the heating products and in the kitchen appliances. So, there are growth plans in each one of them, and we are going to be building up on SKUs in each one of them.

Electric iron is another category where we are pushing in, because that's very much related with the sewing machine category. So, that's where we are launching some very unique products. Steam generator is going to be launched in the coming few months, and you will see some more products coming there.

Anurag Chheda - OK. Thank you very much.

Moderator - Thank you. Next question, we'll have on the line of Ashok Jain. Sir, please go ahead.

Ashok Jain- Hello. Thanks for the opportunity, Sir. Investor presentation of Q1 of 25–26, slide number 9, attributes the decline in Q1 sewing machine sales to deferment of some large orders, as you told before, are our sewing machines ready to fulfil this deferred order in Q2 of 25–26? And will the sales from this order fulfilment be incremental to the sales we usually generate in Q2 every fiscal? Say, like last year Q2, we generated Rs. 106 crores. So, this deferred sales — will it add with the sales? This is my first question, Sir.

Rakesh Khanna - Very fine question, Ashok. Yes, we are fully capable of fulfilling the order. We will fulfil in line with the delivery instructions that we will receive from our customer. As of now, whatever delivery instructions we have received, the allocations that we have received — we have fulfilled them successfully, and we are confident that we will be able to supply the entire requirement within the time frame as will be asked from us.

Second question is about: will it cannibalize any of the existing sales? The answer is yes, to some extent it will, but to a large extent it will be incremental. Some of the government and institutional orders, as I said, got impacted during this period because under a very large national scheme, some of the orders will not come in because they will get merged into this large national scheme.

But these government orders — they do not form a chunk of the total business, and therefore, a large part of it will be incremental business.

Ashok Jain - But, as you told before that we have started supplying the Vishwakarma order also, so that is going to give us good growth. With this growth and some sales from this pending order of Q1, are we going to have good incremental sales in Q2 this year compared to last year?

Rakesh Khanna - That's how it appears to be. That's how it will be. However, I would want you to keep in mind that this thing is still sub judice, and we are looking forward to a favourable order from the Court.

Ashok Jain - But since our supplies are not impacted and we have started supplies also, this will get resolved. Whatever court case it is, this will get resolved over the period of time. Am I right?

Rakesh Khanna -Yes, it will get resolved over a period of time. But till such time the matter is under the Court's observation, we have to wait till such time the Court gives the final order. During this time, the Court has not put any stay, and therefore, we are continuously supplying as per the allocations that we are receiving from the government.

Ashok Jain - Sir, my last question: Segment results of Q1 reported a loss of Rs. 2.36 crore that is in domestic appliances and because we launched Cloud X in Q1, just give an explanation how much of this loss of Rs. 2.36 crore can be attributed to the launch of the Cloud X fan.

Rakesh Khanna - A very small part of this can be attributed to the loss of Cloud X fans. Most of the loss that has come is because the sale of the cooling products was very low as compared to last year. You see, as such, we are on a small base. We had been in negative in the last few years, which we were able to successfully reduce the losses, and we were on a journey to move into positive. Because of that, we were anyway on thin ice; the unfavourable season impacted us. That is the basic reason for the loss in sales. But we believe that this was an industry-wide phenomenon. We have not been, in percentages, as severely hit as some of the other players have been, and we are confident that otherwise we are very strong, and in the coming quarters, we should be able to cover up.

Ashok Jain - As we reported before, we are launching around 68 SKUs, if I heard it correctly. So, this can take care of cooling losses going forward.

Rakesh Khanna - Yes, this will be one of the major growth areas for us, where we are significantly investing in building resources. In a very short time, we are building up a very large portfolio also, and we are putting ambition behind this category. It should be able to cover up the losses of cooling products.

Ashok Jain- Thanks a lot, Sir. Very good explanation and I am very happy. In case I have any more queries, I'll come in the queue back. Thank you so much, Sir.

Moderator- Thank you. Just a reminder to all participants, in case you have a question, please click the raise hand option in the actions tab. Next question, we'll have from the line of Praneeth. Please go ahead.

Praneeth- Hello. Thank you for the opportunity. So, one thing I would like to understand is: I understand Singer is primarily a sewing machine brand worldwide, and it's very well recognized, and it has a long legacy for it. I was curious on how it's translating to the Home Appliance segment. I understand it has a very strong brand recall, but how far is it reflecting in the brand associated with the home appliances category? Is it not cannibalizing the overall brand value as a result? Can you give some perspective on how that's working out in the market and where the brand exactly is very strong? Because with the introduction of new brands coming into the market, the mind share for each particular brand has been reducing. So, it's curious on how the company is planning on seeing and capitalizing on the brand legacy, and going forward, how is it going to translate into home appliances? Or how is the traction and the customer, in particular, the overall segments as it is?

Rakesh Khanna: Great point again. Praneeth, Singer is a great brand that every time we have done any kind of a survey, we find that Singer is built on a lot of trust. The good part is the Singer's credibility in the market is very high. Customers, all of them, they feel related because nearly every customer has a Singer in their house; their mother's or grandmother's machine is still somewhere around. So, that builds a very strong foundation.

However, in appliances, it's also a lot to do with the product. In appliances, we do not currently have a very strong portfolio. So, the first thing that we are going to do is build a strong portfolio. We have successfully managed to build up the quality of our products, to build up the price positioning of our product in the last 2 years — that can be seen in the gross margin percentage improvement, which is a direct reflection of the price improvement in the market. That was a significant step.

The second part that we are going to build up on is now the product range. It is advisable to go step by step, is how I believe. Within them, we have taken one of the first categories to focus on is fans where we are going to take a big bet. We have taken on board a very, very senior leader from the industry. We are building up a strong team, we are building up a very strong portfolio of products, and we are going to build the Singer brand name around this steadily.

We're also revamping some of the other products. Cloud X was one of the examples of giving a unique product and a unique experience to the customer. In other coolers also, we have revamped our products. Mixer grinders — we have revamped. You will soon see some of the electric irons coming. They'll be unique; they'll be the top end of the class. And that's how we are going to build up.

It is steadily, over a period of time, that we will build the brand, positioning, the pride in the brand, in the product, and in the service. That's going to build up appliances as a business for us. We have a strong foundation of a very strong Singer brand with very strong emotional value. We have to just build up with a strong product portfolio, strong distribution, and it will be a winning mix.

Praneeth - So, uh, I understand that. So, I was wondering about recall specifically. Is it in the more rural markets, there is an emotional sentiment with the Singer brand over generations. But in terms of brand, let's say, who will associate—which class of cities or towns will associate Singer brand with home appliances? Like, how is the company at the moment? Right now, distributing it? And, like, what is the strategy in terms of overall distribution? Because there are a lot of companies that are crowding the space at this point of time, as simple as fans—everyone is launching a BLDC fan today. So, how is the status? And, like, if the company is taking such a big bet, what is the mode? And product can be one of them. So, I was wondering in terms of price and distribution, how is the company planning on expanding into the market, especially with the general trade weakness and all of it?

Rakesh Khanna - I understand that you believe that there has a strong brand sentiment in rural market. Yes and no, there is a very strong brand sentiment in the urban market also. Singer sewing machines have been in the high-end houses for a very long time. Most of the urban class people, when you meet, you find the Singer machine in their home or their grandmother or their mother—they have it. So, relating to brand in urban market is there, where we want to position it also in the premium end, and that's a deliberate positioning strategy that we have. We want to position Singer as on the premium end of the market. And therefore, we are going to be focusing on the urban; we are going to be focusing on the premiumness of the product. We are going to be focusing on the premium service. And that's how we're going to build up.

In terms of distribution, currently, we are focusing more on trade sales. From this year onwards, we are going to start building on e-commerce. The challenge in e-commerce is on the price positioning. We have corrected the price positioning to a large extent, and now it's a good time to start entering into e-commerce also. Have I answered your question?

Praneeth - Partially, yes. So, I was wondering where are the primary sales coming from, which tier of cities? I understand the recall is there in both the markets, so curious in terms of segmentation. Let's say, if I were to look, which market are you dominating the most? I understand recall is there in all types of segments, but where are the sales exactly happening in terms of the class of cities? These, and also distribution—I understand it's

trade sales, right? So, why is the company not entering quick commerce segment and everything also? Like, what is the strategy for that? And I don't know how the particular product is getting built. Right now, I think we contract manufacture, right? So, are there any plans of putting up facilities for manufacturing these particular goods? So, can you give some perspective on that also?

Rakesh Khanna - Let me take your last question first. We are not getting into any manufacturing of appliances as of now and the reasons are very obvious. For manufacturing, one requires a particular scale of manufacturing, which we do not have. And second, because of adequate supply chain available for outsourcing of production, it's absolutely good to go for outsourcing of the products as of now.

What we are going to be focusing on is the design and the quality of the products. That's where we are going to focus on. And you will start seeing more and more products coming with more unique designs from our side. So, to sum it up, the product design and quality is going to be focused, whereas manufacturing is going to be outsourced.

In terms of the distribution, we are more present in the urban cities. In terms of the e-commerce, as I said, we will start entering into e-commerce. Quick commerce will be much later because, as we get into quick commerce and e-commerce, there is a certain amount of pressure on the cost and the price, because that's where the price war is the highest, whereas in the trade, one is able to maintain the price to some extent and ensure that the price positioning happens right.

So, step one will be cities. Step two will be e-commerce.

Moderator -Thank you. Next question, we'll have from Dhwani Desai. Sir, please go ahead.

Dhwani Desai - My first question is: if I look at our history over the last 7–8 years, our sewing machine business has remained in that range of 300 odd crores, +/- 20 kind of a number. So, you said that we have aspiration for growth in that business too. So, if you can talk about the levers, I think you did talk about that in the AGM and you also alluded to entering into newer segments but how should we look at this segment from, let's say, next 2–3 years perspective? Are you eyeing for 15% kind of growth? If so, from where will this number come? Is there room for margin improvement, growth at gross margin and EBITDA margin level? If you can give us some sense on that.

Rakesh Khanna - Wonderful. So, Dhwani, if you would see in the last 2 years, there is a significant improvement in the margin of sewing machines. In fact, it's more than 2.5% margin improvement, and that was our first step one how do we get our margins right. Now, we talk about growth, and as I see, the growth is in two parts: it is the top-line growth and the profit growth. Our profits are significantly growing. It is now the top-line growth that's going to come in.

This year, if I see, the zigzag is growing very well, industrial is growing very well, and in the black segment, which has been steady with very marginal growth, that's where we have a huge advantage of a very large purchase order in our hand. Now, that also gets us the scale, and that's also going to give us enough footing to further expand our distribution base because the machines are going to be further spread out, brand catches on, the consumer pull builds on. So, there are a lot of things that happen with that. So, given all these things together, we are very sure about the revenue growth that we are going to build on. On top of it, we are building in innovative products which have never been done in the black category—like the DSBB machine (Double Sealed Ball Bearing) machine. We brought in the colour machine, the low-cost Square Arm Machine. We are bringing in the link machine, so there are a lot of these things that we are doing to create excitement. Put all of these things together, we're confident that we will bring in a healthy double-digit growth in the coming few years.

Dhwanil Desai- Got it, Sir. Sir, second question is: if we look at the capital efficiency, sewing machine has been a fantastic business with 50% plus ROCE and that was not growing so, we seeded the consumer appliances and kind of then now again turned it back. We are trying to grow it back again, but right from a capital efficiency perspective, if you see the growth potential in sewing machine, what is the rationale for getting into a very crowded space of consumer appliances? I think it alludes to the questions asked by earlier participants, but if you can share your thought process as to why do you think it is valuable to the company?

Rakesh Khanna- One of the reasons why we believe it's valuable is because we are there, and it's a huge potential. See, if I look at fans as a business, it is still giving a lot of opportunity to people who are coming in. We have a great brand with great relation to the brand, emotional connect with the brand, the market is changing, the customer tastes are changing, the technology is changing, the distribution structure is changing, and within this there is a huge opportunity to grow—and we are already there, and therefore we would want to take this opportunity. Sewing Machine was stagnant many years, but the market had not opened up. Now, with the market opening up, there are great opportunities, and therefore it's wise to catch on both the growth areas.

Dhwanil Desai- Last question, and I'll come back in the queue, Sir. On the consumer appliances, we saw sharp growth and then again, we pruned the portfolio. So, our first question is—from this year onwards, do we see growth coming back to that? If so, will it be good healthy double-digit? And on the margin side, again, we have reduced our losses. So, from here on, what is our end goal in terms of EBITDA and EBIT margins, and what is the pathway to reach that margin in terms of timeline, in terms of steps, if you can talk about.

Rakesh Khanna- Yes. So, we did trim down the loss-making units and loss-making SKUs, and we have built up our growth on only the positive SKUs. We are now revamping, we are building in new SKUs, and within them, fans come as a major growth area. As I said, we are building on it. It will take us a few months' time to complete our portfolio, appoint the distributors, get the team in place, and start building on this.

As I see going forward, within this year, our aim is to ensure that the appliances comes to a break-even and thereafter gets into the profit category. That's the way we are working towards appliances. Initial period, yes, there will be cost attached in terms of product development, team building, etc., but as we catch on the growth, we should get into a good profitable journey after this year.

Dhwanil Desai- Wish you all the best and I will come back in the queue.

Rakesh Khanna- Thank you.

Moderator- Thank you. Next question will be taken from the line of Bhargav. Please go ahead.

Bhargav- Yeah. Good afternoon, Sir, and thank you very much for the opportunity, Sir. My first question is that I believe the execution of this tender is about 12 months. So, is it fair to say that the next tender will be opened only in the next financial year?

Rakesh Khanna- You're talking about Part 2 of this tender.

Bhargav- Yes, Sir.

Rakesh Khanna- Ok, so 12 months is the time for execution of the first one. This is the outer limit. It will depend on how fast we are able to get the allocation. And basis that, the second part of the tender is likely to come up.

Bhargav- And the size for the second part will also be similar to the first part?

Rakesh Khanna- It is understood to be so because we are driving it from the initial tender specifications that came and the initial tender quantity that came. We are driving this assumption from that.

Bhargav - OK, understood. And on the fan side, just wanted to know a few things, you mentioned that you will be mainly present on the premium side of the category. So, is it fair to say that given that BLDC has been in fashion as of now, the range primarily will revolve around BLDC, or will you also look at non-BLDC range as well?

Rakesh Khanna- So when I say that we're going to build the brand on premiumness, I'm not saying that we will have exclusives only in the premium end. We will have the complete portfolio because it's very important that if I have to enter into a dealer's place, entering only with premium is a very long drawn process, whereas if you have the complete portfolio, the entry becomes a lot easier and therefore, our portfolio will be complete. However, we'll start focusing more and more on building the brand by focusing on the premium products, and these products, we will start putting them in front, and those will be the growth areas for us.

So, we will have the complete range. We will also have the BLDC. In BLDC, we will have different price positions: the basic BLDC, the decorative BLDC, the load Dia DLDC. And in the normal category, we will have the base category, the economy category, the decorative category, we will have TPW exhaust—the complete range.

Bhargav-My last question is, how is the working capital cycle in this tender? Is it going to be fairly elongated or is it reasonable?

Rakesh Khanna-This is an advance for us.

Bhargav- Meaning that the entire money comes in and then the dispatch happens?

Rakesh Khanna- Yes.

Bhargav - Great, Sir. Thank you very much and all the very best.

Rakesh Khanna- Thank you, Bhargav.

Moderator- Thank you. Next question will be from the line of Viraj. Please go ahead.

Viraj- Sir, my question is regarding this tender — are the margins lower in this tender compared to the normal margins, or are they similar?

Rakesh Khanna- Of course, tender margins will be marginally less, but all I can tell you is they are healthy margins.

Viraj-And my second question is, what would be your guidance going forward in terms of operating profit? Because as I see, the history of profits has been very low as a percentage of sales, and small variations can affect the Company. Any thought process on that?

Rakesh Khanna- Viraj, you are absolutely right. The margins have been extremely thin, and that poses a short-term challenge regarding investments and how much risk we can take. But I can tell you one thing that in this category, an EBITDA margin of 8 to 10% is the kind of target any company should have, and we should be looking at something similar. That is my long-term vision. I wouldn't discuss specifics or timelines beyond that, but that's the number we all should be aiming for.

Viraj-And Sir, what will be your sales mix going forward between Sewing Machines and Appliances? Will sewing machines increase or decrease relative to appliances?

Rakesh Khanna- As I said, because appliances have a low base, the percentage will tend to shift faster in favor of appliances. But at the same time, we are also going to focus on sewing machines, and we see Sewing Machines equally as a growth opportunity. So, the shift is not going to be very radical in the next two years.

Viraj- Ok, so my last question is, what is the time frame when you are planning to become PAT positive, or any thought process on that?

Rakesh Khanna- We've been PAT positive. It is just that this particular quarter was a little unusual. Otherwise, we have been PAT positive.

Viraj- OK. And Sir, you said you were very bullish on the Industrial Machine, why? What is the reason for that?

Rakesh Khanna- In industrial machines, our base is strong. We are a late entrant, so the base is very small, but our brand is very strong. Combining both, our ability to increase our sales and our presence is very good. We grew close to 30% last year in this category. We continue to grow, but this quarter was flat because our marks primary sales were very high last quarter. However, growth will continue because we have a small base and a strong brand. Our distribution is very strong in other product categories, and much of it overlaps, so we should be able to garner good growth from industrial machines.

Moderator- I would request you to get back in the queue. Thank you. Next question will be from the line of Tushar Khurana. Sir, please go ahead.

Tushar Khurana- Yeah, thank you for the opportunity, Sir. My first question is, what is our revenue mix between industrial and non-industrial sewing machines versus last year?

Rakesh Khanna- Revenue mix is 83% non-industrial and 17% industrial.

Tushar Khurana- And what was it last year?

Rakesh Khanna- Similar.

Tushar Khurana- So, 17% is industrial, right?

Rakesh Khanna- Yes, 17% industrial.

Tushar Khurana- Out of this, for non-industrial sewing machines, we are manufacturing some at our Jammu facility, right?

Rakesh Khanna- A small number. We manufacture is only about 10%; the balance is outsourced.

Tushar Khurana- OK, and if I remember correctly, last year we announced some capacity expansion at Jammu?

Rakesh Khanna- Yes. We announced this because we wanted to ensure capacity to deliver an expected large order from PMY. We knew a large order could come in, so we prepared to be self-reliant of our ability to supply of the machines. I'm glad to say our capacity and confidence to supply this large order is very strong.

Tushar Khurana- So how much of this order would be manufactured in-house? Any ballpark figure?

Rakesh Khanna- That's sensitive information. What I can say is wherever possible, if vendor partners can supply, we source from them. But where supply is little difficult, we can manufacture and deliver ourselves. We are fully capable and self-reliant to deliver large numbers, but we expect our vendor partners to respond well, so we may not need to fully push manufacturing in-house.

Tushar Khurana- Why is that the case, Sir? If we have capacity, why rely on partners for supply? Why not produce fully in-house?

Rakesh Khanna- That's a great question. It's about where we want to spend our energy and bandwidth. If good vendors can deliver quality product on time and at the right cost, we prefer outsourcing, so we can focus on other growth areas. If there's a strategic advantage to manufacturing in-house, we will do it.

Tushar Khurana- Ok, and Sir, if I look at our previous investor presentations, up until Q4 FY25, our dealer distributor count was 1000 plus, which increased to 1800 plus in Q4 presentation. And in this Q1 presentation,

this number went up to 5400 plus. Can you just explain how this sudden jump has come in, in terms of increasing our distributor base?

Rakesh Khanna- So basically what we're talking of is the direct billing point and the indirect billing points. 1800 is the direct billing point and then we're talking of the indirect billing points.

Tushar Khurana- OK, and my last question. Sir, you mentioned these 83 and 17 revenue mixes between industry non-industrial and industrial. So where can this number change to next, say, 2 to 3 years?

Rakesh Khanna- So you see, I personally see it can go up to 30% appliances in the next 2 years.

Tushar Khurana- No, I'm talking about this industrial and non-industrial between industrial and non-industrial. It's 83 is non-industrial and 17 is industrial. So where can this number change in next 2 to 3 years in the sewing machines category?

Rakesh Khanna- 30% industrial, and I'll tell you the reason. The reason is total size of the industrial sewing machine today is nearly 60% of the total market and we are small. So therefore, the speed of growth will be higher in industrial.

Tushar Khurana- Ok. Thank you so much, Sir, and all the best. I'll join back to the queue.

Moderator- Thank you. Next question we'll have from the line of Kush from Care PMS. So please go ahead.

Kush- I have joined the call a little late and if I repeat some of the questions. Sir, if you can just share about the market size of Sewing Machine Industry and break up into Black, Zigzag and Industrial, and also into say, unorganized, organized and imports?

Rakesh Khanna- See, the total sewing machine market size is approximately 3000 crores. Out of which, around 60% and 45%, around 1300 crores is the Domestic and 1700 crore is Industrial. These are the estimates. We do not have any documented information on this. These are pure our estimates based on the market information. Within the 1300 crores, approximately 1100 crores is the Black Machine and approximately 240 crores is the zigzag Machines. Is that, OK?

Kush- Yes.

Rakesh Khanna- That's roughly the market size that you wanted.

Kush- Sure, and Sir, our market share in Industrial and Domestic would be, so Domestic still would be decent in black, but in Industrial, as you said, our market share is quite small. So, the rest is import in Industrial?

Rakesh Khanna- Yes, the rest is all dominated by imports.

Kush- Ok, and Sir, are new launches over the last one or two years, if you can just highlight, are they focused more towards the industrial side or the Zigzag side or are we still launching new upgraded versions in Black as well?

Rakesh Khanna- Great question. We are focusing on all. As I said, let's see the largest part of the market, it's the traditional black machines, correct. This is the segment where no interesting work has been done by the industry since a very, very long time. And we believe it's important to state the market in this segment and with that in mind, we brought in the machines with double ball bearings, which was a new concept we have brought in; colors in the machines, which is another thing which is catching some good excitement. We are bringing in now Square Arm in a good price point. We are bringing in the Link machine just to tell you link is a mechanism which is used in all the high-end machines. That's the industrial machines; the Zigzag machines they use link mechanism instead of a cam to ensure that the movement is easy, the thread doesn't break, and it can take heavy fabric

without making noise. Now we're bringing the same link mechanism in the household machine, and we will be introducing that very soon in the market now. So, we're bringing new SKUs there, new innovations there. In Zigzag, we have been bringing in the new high-end machines; we brought in the sewing cum embroidery machines. I said we brought in Husqvarna Viking and Pfaff brands, which are globally some of the best brands that we are exciting the market.

In Industrial, we have brought in from a single function we brought in the double function, 3 function machines; we are bringing some of the specialized machines into the market and now we have brought in a multi-needle single head embroidery machine. So, we are focusing on all the categories, and we believe we have to go all out in all the segments to really build up our share because in total the market is going to see how strong we are in the total category.

Kush- Ok, that was very helpful, Sir, and a follow up to that, Sir. So, we aim to grow in Sewing Machine. At what rate is the market size growing? So, is Domestic segment growing faster or Industrial growing faster? First and second, we should grow in 2 ways — industry growth plus gaining market share. So, what kind of growth rate do you see for ourselves for sewing machine category?

Rakesh Khanna- Yeah. Great. So, the growth rate in the market is in the range of around 4%. The growth rate is not very high, but what presents a great opportunity is our ability to gain market share. I come back to the black machine, which is the largest part. The black machine, more than 50%, around 55% of the market, is with unorganized sector. We have seen in all product categories if the brands come with the clear strategy, the ability to garner market share from unorganized is high. That's one and two, Zigzag within this will grow at a higher rate because globally zigzag is the dominant kind of market technology that's globally. The black machines don't sell as much. Therefore, in India also I foresee that in sometime Zigzag will be the dominant one and therefore zigzag will grow. In Zigzag, there are basically 3 players, 2 very dominant — that is Singer and Usha are 2 main players, Brother is also there. So, that's an area where we can grow very well. Industrial, as I said, most of it is imported from a single country and we all know the country and as we start becoming stronger in industrial sewing machine, I believe we have a great opportunity to catch a big share of the India market out of the industrial sewing machine. So that's where our growth is going to come — not as much from the market growth, but there's a huge opportunity for us to grow by taking the market shares.

Kush- OK. Thank you so much, Sir for that. Also, Sir, government relating to government order, can you just highlight how big the government tender market is there? What kind of repeat orders are there and yeah, so some details regarding the government tender size market?

Rakesh Khanna- See, it's government orders and small institutional orders backed by government funds are highly fragmented, spread out across all the states and come through trade a lot of most of them. And therefore, to put on a steady figure to it is a little difficult, but all I can tell you is that even if we catch 10 to 15% of the sale coming from there, we are talking of in the range of 30 to 40 crores for us and the total order size can be close to 100 to 150 crores across the country.

Kush- Per annum?

Rakesh Khanna- Yeah.

Moderator- Thank you so much. Next question we'll have from the line of Kartik. Kartik, please go ahead.

Kartik- Good evening, Sir. Essentially, you know the black sewing machine market over the years has been replaced by Chinese products. I think their cost of manufacturing and their ability to give a lot more features and upgrade the black sewing machine market has been phenomenal. Would you, considering that you've seen good growth in the industrial space, would you be open to partnerships with the other companies in this industrial

segment to grow this space? Partnerships with companies that are very strong in India, for instance, you were talking about fans being a big growth area in the consumer segment space; industrial fans as well are a pretty big, you know, growth segment in the industrial space. But only if, you know, you have some sort of a tie-up with an industrial service provider here in India, would you be able to actually grow in this segment? This is my perception, but this could be an area that you're considering?

Rakesh Khanna- Kartik, I'm sorry, but you will have to clarify. You started with sewing machine industrial and now you're talking of industrial fans. Can you clarify?

Kartik - Yeah. So, the industrial fans part was an example. Basically, my question to you is: would Singer India be open to partnering with the people who are very strong with the B2B that supply direct to garment factories in India to grow your industrial sewing machine segment here in India?

Rakesh Khanna - Kartik, you're right. We will have to, and we will be actively looking at either—it will be technology partnership, or it can be a complete manufacturing partnership. We will see that. But as of now, what I can tell you is we are looking at building skill around these machines. It starts with building around use of the machines, servicing of the machine, assembly of the machine, and then we'll come in to complete manufacturing of the machine. So, I think manufacturing of the machine is an area where we have still not embarked upon and it's still at exploratory stage. But before that, what is critical is building the competency skills that we have, by and large, completed that journey.

Kartik – Right! From an outsider, I see, Singer India—the success of Singer India is through its dealers because of the nature of the product. So, for your own organization to have, you know, more customer-centric sort of an approach would be quite a challenge and quite a shift. Am I right?

Rakesh Khanna - Not really, because the kind of things that we have done are unique, different. For example, in Industrial sewing machine, we understand that on one side we have to keep the cost under control, and on the second side, we have to provide the full training and troubleshooting guidance to the customers who buy the machine. What we have done, therefore, is that we have built in a lot of content—video content on the troubleshooting. So, we are going to be revamping our website now; we are putting up all these into social media that how do you troubleshoot with the product? We have a video centre where a person can log in and directly have a one-to-one interaction and where a person can solve the problem for the customer on the other end. So, we're trying to work out unique ways using digital to solve all these problems for a customer and be customer-centric while we ensure that we work through our trade partners who are very important.

Kartik - Yes, excellent, excellent. So, just one last, you know, being in the industrial space myself, the product offering cannot be just a sewing machine. It has to be, like I said earlier, maybe the infrastructure of the facility, maybe cutting machine, maybe other machines that go into this industrial facility. So, would you be looking at growing that product portfolio as well?

Rakesh Khanna - Yes, but Step 2—first step is, you see, in any garment manufacturing factory, 85% of the machines are single needle lockstitch machines. It's important to get our hold in this particular category of machines. The rest of the machines—highly specialized machines—are something where one needs to partner with international brands and that should be our Step 2. But step 1 is to gain strong fore-hold in the basic machine category, which forms 85% of the number of machines that get installed in any of the garment manufacturing. Number 2, because that we are strong in trade as of now, it's important that we establish ourselves well in trade. In trade, the industrial machines that go through are largely the single needle lockstitch machines and some other specialized machines. Those are the areas where we are going to focus first, get ourselves strong over there and then move on to the next phase.

Kartik - Thank you, Sir.

Moderator - Thank you. Next question will take from the line of Nikhil. Nikhil, please go ahead.

Nikhil - Yeah. Hi. Thank you so much for the opportunity. I just have 2 questions. The first question is: you mentioned about the case related to the purchase order from the PM scheme, the Vishwakarma Yojna. Can you elaborate a bit—what is this about?

Rakesh Khanna - OK. So, this is a Pradhan Mantri Vishwakarma Rozgar Yojana under which the Pradhan Mantri has allocated—under his budget—funds for small artisans and small entrepreneurs and these people are given a certain support in terms of the equipment for their profession. And these are, for example, Toy & Doll making kits; it involves Goldsmith's kit. There are many of these artisans for whom such kind of kits are made available. Tailoring is one of them. In tailor, there are again different kinds of machines which are offered. There are the small machines and there are artisan machines. In small, there is a package and with them there are many other accessories that are built upon. Now, so it's a very large scheme. Within this scheme, for the tender of tailor, there were 400 tailor kits which have been tendered, out of which 70% went to one of the contenders who had applied with Singer machines and their Singer machines got 70% of the purchase order, which we have got indirect. And now, based on the allocation, we are supplying these machines to the end beneficiary. Have I explained clearly?

Nikhil - No. So, my question was, you said the matter is sub judice. So, is there a case on this particular allotment of order or what is that about?

Rakesh Khanna - Yes, so some person has gone and challenged the process by which the order has been issued. We are very confident that everything has been absolutely in compliance with the processes, with the policies, and therefore it should be a good case. However, because the matter is still under review, we will have to wait for the final Court's order. That, just to add, this order has been an order which is on the GEM portal. OK, so already published on the GEM portal—you can even go and see it on the GEM portal—and it has come through all the processes.

Nikhil - Noted. The second question is on the problems with BIS standard, right? Is there a permanent solution that you are looking to find for this?

Rakesh Khanna - Yes, there are permanent solutions that we are working upon. I can share in some time what are the permanent solutions that we're working on. As of now, I can only assure you that we have sufficient quantities with us. We have already received from DPIIT letters stating that we can be telling them the machines that we want to bring in, and of course, most likely we are going to get that permission also. But there are further programs that we are working on which I can share with you as soon as they are finalized and they are ready for any disclosure.

Nikhil - Ok. And the last point is you spoke a lot on how you are focusing on the industrial side of sewing machines. But in general, what are you all doing to compete with these Chinese companies? And I take it there's also another Japanese brand which is quite popular. How do you all try to get that piece of market that you're looking for?

Rakesh Khanna - Yes, as I said, we will work with our strengths and one of the biggest strengths that we have is that we are Singer, we have the kind of legacy, and we have the kind of distribution network that we have in India and the kind of bonding that we have. We are a late entrant; we understand that part. But we have great product with us, and we are building up skill and competency for servicing the machines for the training purpose, and we will be leveraging the relations that we have in the market. The results we are seeing we have grown very well in the last year. We are seeing a continuous traction being built for Singer brand and we are confident we will gain our rightful market share in a market where we are otherwise dominant in rest of the categories as compared to these Chinese brands.

Nikhil - Ok. Just a follow-up on this: so, if the sewing machine sales were largely flat in FY25 versus FY24 and the split of non-industrial and industrial had been the same, the growth is not visible in numbers yet?

Rakesh Khanna - You're right, in quarter one, the growth is not visible because when you see the total numbers, there was a decline in the Black Machine segment, which I said was mainly attributed to the deferment or postponement of the government and institutional orders which normally come through trade in view of the very large Pradhan Mantri Yojana purchase order that came in. Barring that, zigzag has grown very well. Industrial remained flat despite the fact that in the month of March and in quarter 4, we had grown very, very well in the industrial. So, last year, for example, we had grown by 28%. And this year, we are flat despite a very strong sale in quarter 4. So, we're growing in industrial very well, we're growing in Zigzag very well. It is just in Black machine that there was a drop; that's why you're not seeing the numbers total.

Nikhil - Noted, Sir. Thank you so much. Looking at all, and all the best, looking forward to interact with you again.

Rakesh Khanna - Thank you so much.

Moderator - Thank you. Next question we'll have from the line of Anurag Cheda. So please go ahead. As Anurag Chheda is not there, the next question we have is from the line of Praneeth.

Praneeth - Yeah, thank you. So, I understand about the brand, but I'm trying to understand about the market specifically domestically. You gave me a broad—you gave the broad split of what is industrial and what is rest of these domestic machines? How was the market shaping up? And unorganized—is there still a large part, but has it gone down over time? Or are the brands taking more market share? And Singer's positioning, has it been able to acquire more market share, or have the other brands been doing it better? And coming to the industrial side, I understand that most of them are imported, but I was curious on how can they possibly compete with them? We are late, agreed, but in terms of usually these are in CapEx cycles, right? So, do we foresee any cycle going at and acquiring more market share in the industrial segment? And how do we particularly forecast in competing with these industrial segments? And if we were to forecast, what do we expect the growth rates of both the segments to be going, let's say, in a 3-year horizon? I understand sewing machines might be a little more stable compared to home appliances. So, where do you think the ballpark figures for both of these segments could be in 3 years? So, these are the 3 broad questions.

Rakesh Khanna - Ok, so let me take one by one. In the industrial—industrial agreed, it is dominated by all the imported ones. As the industrial segment has grown over the last few years—yes, industrial has grown. These machines have come into India and established themselves in the last 5-6 years. That's where most of the establishment of these machines have happened in India. India is emerging as an important hub for garment manufacturing; there is a government thrust towards it, and if all that continues to go well, this is an area which will continue to grow. The growth in industrial sewing machines is going to be in line with the growth in the readymade garment sector, as you may say so. So, that's the kind of growth we can be looking at, which can be close to a double-digit growth going forward. In the household, there has not been much growth. As I said, around 4%. Has a major shift happened between organized and unorganized? The answer is no. That's not something that we are seeing in the last 2 years—that has happened—but it is also because there was no design change for so many years, and what the unorganized made is exactly what the organized players were making, with no shift that was happening. It is now that we started shifting the gears. We started bringing in new innovative products, and we believe that we will start building in the market towards the organized side a little more. Zigzag has grown better, and if I have to extrapolate the global trends, then Zigzag should grow a lot more because globally Zigzag is the machine which sells; a Black machine does not sell in most of the developed markets and it's slowly going down. So, if I plot all these trends together, I see that there is an opportunity to grow in all these sectors: Zigzag—because it will start getting into the Black machine; Industrial—because we are dominant in this part, a lot of industrial goes through the trade channel where we are dominant; and the black

machines—because we are bringing in new innovation, that's where the growth is going to. Have I answered your question?

Praneeth - Partially, yes. Just so as I get it, you're trying to say that with the shift in product you expect to grow along with the shift in product as the product is transitioning from a black machine to Zigzag machines. That's the broad-based strategy as far as I understand. And so, as a product category is going, you plan on growing with the product category. So, at this point of time for the Zigzag machines, let's say, what would be the organized market? Because these are new products, I'm assuming that organized players have not completely gotten into this particular segment. What's the split for this particular product segment versus a Black Machine? And I understand Black machine, I think over 55% as you mentioned, but for Zigzag, what is organized versus unorganized market share? And how was Singer faring in the overall market share dynamics on an overall basis? Let's say it's 55% unorganized and 45% organized. How much does Singer occupy in both industrial—let's say industrial market share—and versus domestic, what is the market share?

Rakesh Khanna - You're asking a lot of number crunching but let me try and get there. In Zigzag, there is no unorganized as of now. There are some imported machines which are there, but they're not as per BIS compliance; they should not be there for very long time because the QCO is becoming and will be implemented soon and therefore those people will not be able to continue to sell. So, Zigzag will be basically all 100% organized because of QCO being there, and so simple imports are not going to work. And for manufacturing in India, I think it's a high-tech product and will take a little more time than simply copying a machine. In the black, you're right, 55% is unorganized. In this, there are basically 2 organized players, and this ratio is approximately one is to two between us and Usha—Usha being two and we being one.

Praneeth - Understood. So, Brother is not a significant market, doesn't have a significant market presence in the domestic market?

Rakesh Khanna - No.

Praneeth - Understood. And so far, Industrial, let's say, what percentage is being catered by the domestic players, let's say like Singer or Usha? And what is the competitive strategy you're planning on tackling these particular—and it could be pricing or what is the strategy the company is looking at to exactly tackle it? Will it be priced? Will it be the Government regulation creating BIS marks, which might not be completely catered by the imports? Or how is it going to be?

Rakesh Khanna - Yeah. In industrial, there is a very large amount of industrial machines which are coming as pre-used machines. Now, we have been representing to the government that the pre-used machines are like dumping old machines in the Indian market, which is not good. We are confident that with our representation, government will take a note. In fact, the BIS standards are already being framed for industrial machines, and they should be coming out in some time. They will take their own cycle time. But thereafter, as the BIS standard comes, we believe the used machine dumping in India will stop and that will get replaced with new machines. So, that's going to be one part. The second part is some government policies are coming forward for encouraging Indian manufacturers for the Indian market, and I think that will also help us. As of now, it's a fact that most of the machines are coming imported. Within this, Juki, which is a Japanese company, has set up a small plant in India and has started assembly of the machines in India. We believe there will be other opportunities, and we all are exploring the opportunities, but sooner or later Indian machines will start coming in India and that can be a good growth opportunity.

Praneeth - Understood. So, combining all of the facts like we probably discussed together, so what could be the potential targeted growth rate we can expect from both the segments? To see how it's right now, our revenues

are around 400 crores. So, in next 2 to 3 years, what is likely to be the top-line metrics that we are targeting or aspiring to do? And which segment is going to contribute, what percentage of it?

Rakesh Khanna - From what we discussed just now around Industrial Machines opportunity, a lot will depend on the speed at which the government support will come, and we are able to stop the dumping of the used machines and the BIS, etc. But put together, I think as of now, if I look in the short term with the kind of orders that we have in hand, it is simple that we should be looking at a fair, healthy or double-digit growth that should be coming to us this year and next year. Coupled with that, the other initiatives that we're talking about would be over and above that growth. So, I think the next 2 years we see very good growth and during these 2 years, we are trying our best to build up strong foundation for the next level growth in appliances and in these category machines, possibly manufacturing in India, designing in India. There are a lot of these areas where we are discussing—not anything that I can be talking to you about because I can only tell you once the plans are finalized and once, they are ready for disclosure.

Praneeth - So, but in terms of margins, like usually entering with the new product, the margins will likely be discounted initially in stages, right? So, for the next 2 years, how do we see the gross margins and EBITDA margins faring? Will it likely be a compression from this point of time or will it be an expansion or how is it going to be?

Rakesh Khanna - I do not see a compression because if it was going to be a compression, we might as well not do it. Yes, if there would be something called depreciation, etc., those kinds of things I will not comment immediately on, but at operating level, I do not see any compression in margin.

Praneeth - So, one last question regarding the project we're doing regarding fans. I understand we're launching 64 SKUs, right? So, what is the overall project cost that has been spent on this particular endeavour? I'm just asking this to understand how many experiments like these we can do with the existing cash flows and all of these.

Rakesh Khanna - Wonderful question. And that's something that I always keep my eye on. In these, we are not spending any major money; these are all outsourced. The good part is that there is a very strong supply chain available in India for fans as a category. There are very beautiful SKUs available. It all depends on how good our relation, our knowledge of the market, and how well we are able to secure unique and good designs exclusively for ourselves and good cost. With Sunil coming on board, I think that's one of the major things that he has been able to achieve in a very short while of identifying these SKUs, securing uniqueness for them and ensuring a very good cost at which we are getting them. We are not spending much except that we'll be spending on building catalogue and communication around it, which is not a large amount.

Praneeth - So, cash is not going to be a limiting factor when you're expanding with new product categories, is that right?

Rakesh Khanna - Again, this is not somewhere where there will be high upfront investment. The cash will be only to the extent of inventory that we will pick, procure and what we will sell. So, it's only the regular cash cycle of a sales and purchase cycle that will come in place. But beyond that, there is no other cash that we see is going to get blocked into this.

Praneeth - Understood. So, one and one question regarding distribution.

Moderator - I think we have crossed the time limit, so we will take that as the last question. I would now request the management of Singer to give their closing remarks.

Rakesh Khanna - Thank you so much. Thank you, all the participants, for showing so much interest. It's so encouraging to see that all of you are continuing to show so much interest in Singer India. I can assure you one

thing: the Singer India team is absolutely dedicated towards good growth; we are very confident that going forward, Singer India is poised very strongly for strong growth in the sewing machine category, in Zigzag, in Black machine, in Industrial machines, in the new areas of Embroidery machines—Multi-head, Multi-needle, Single-head and thereafter Multi-head Embroidery cum Sewing machines. Appliances is an opportunity area. We have a great brand; we have great brand legacy with very strong emotional connect. Fans is an area which we are looking at as a good growth area. Ecommerce is doing well for us. We have built a great team, and we look forward to a very positive future. This has been a quarter which has been unusual, but as I said, our key fundamentals remain strong. We are on a growth journey, and I look forward to seeing you again next quarter. Big thanks to Emkay Global. Thank you so much. Thanks, Chirag, for all the efforts that you have put in. Thank you, all the participants.

Moderator - On behalf of Emkay Global, we now conclude this conference. Thank you for joining us and you may now disconnect your lines.