



**“Aditya Infotech Limited  
Q1 FY27 Earnings Conference Call”  
August 13, 2026**

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**RELATIONS**

**MODERATOR:** **MR. ANIRUDDHA JOSHI – ICICI SECURITIES**

**Moderator:**

Ladies and gentlemen, good day and welcome to the Aditya Infotech Limited, Q1 FY27

Earnings Conference Call hosted by ICICI Securities Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Aniruddha Joshi from ICICI Securities Limited. Thank you, and over to you, sir.

**Aniruddha Joshi:**

Yeah, thanks, Manav. On behalf of ICICI Securities, we welcome you all to Q1 FY27 Results Conference Call of Aditya Infotech Limited.

We have with us today senior management represented by Mr. Aditya Khemka, Managing Director; Mr. Anup Nair, Director - Strategy and Business Development; Mr. Yogesh Sharma, Chief Financial Officer; and Ms. Dipika Dubey, Head of Investor Relations. Now I hand over the call to the management for initial comments on the quarterly performance, and then we will open the floor for question-and-answer session.

Thanks, and over to you, Aditya, sir.

**Aditya Khemka:**

Thank you, Aniruddha, and good afternoon, everyone. Thank you for joining with us today. I am pleased to welcome all our shareholders, investors, analysts, business partners, and stakeholders to discuss Aditya Infotech Limited's performance for the first quarter of FY 2027.

This quarter reflects the strength of our business model, disciplined execution, and our continued focus on innovation, market expansion, and operational excellence. I am pleased to share that we have commenced FY2027 on a strong note and remain confident in our growth trajectory for the year ahead.

Let me begin with our financial performance. I am pleased to share that the Q1 FY2027 revenue stood at INR1,402 crores, which is up 89.5% year-on-year, driven by strong traction by CP PLUS brand in the overall AIL revenue. IP products made up 79% of CP PLUS portfolio.

Our gross margin stood at 30.8%, up 810 basis points year-on-year, with CP PLUS contribution rising to 87% of our revenue. Margins moderated slightly from Q4 due to the exhaustion of lower-cost inventory. EBITDA stood at INR208 crores, up 20% year-on-year, with margins improving by 604 basis points to 14.8%, supported by a favorable product and brand mix, as well as better operational efficiencies.

Adjusted PAT stood at INR142.2 crores, up 332.5% year-on-year, attributed to lowering of finance costs by 59% year-on-year and better cost efficiencies. The CP PLUS brand continued to maintain strong momentum and contributed approximately 87% of our overall

Q1 revenue.

The IP products accounted for nearly 79% of CP PLUS portfolio, which reflects the increasing adoption of higher-value and intelligent AI surveillance solutions. Beyond growth, our focus has been on improving quality of earnings and capital efficiencies.

Our working capital metrics also showed meaningful progress, with reduction in inventory and debtor days resulting in the improvement of cash conversion cycle to 64 days. At the same time, our balance sheet remains robust, with debt to equity reducing sharply to just 0.07 level. These metrics highlight not only growth but sustainable and profitable growth.

This year marks as an important milestone for Aditya Infotech. On August 5, 2025, Aditya Infotech Limited officially debuted on the stock market under its flagship security brand CP PLUS, with an oversubscribed IPO that listed at a significant premium. On the back of an exceptional year of business and margin growth, Aditya Infotech valuation has grown over 5x to touch nearly almost INR45,000 crores. We would really like to thank all investors and shareholders for their confidence and trust in our journey.

Our major step in our growth journey has been the inauguration of our new corporate office and R&D center on 2<sup>nd</sup> August 2026. This facility combines a modern workplace, an experience center as well as highly advanced innovation and testing laboratories.

It strengthens our product development capabilities, improves team collaborations and reinforces our commitment to innovation led growth. We currently have three operational R&D centers now, including Noida, Ahmedabad and Taiwan and we will shortly be opening a new one in Bengaluru.

Our market share stood at 43.3% in the Indian video surveillance industry in FY2026, as per the Frost & Sullivan report. We are pleased to see strong gains in our market share, with our position effectively doubling over the period shown. This reflects the growing acceptance of our products, wider channel penetration as well as our ability to address evolving customer requirements across all major vertical segments.

Manufacturing remains a key strategic pillar. Our housing and enclosure expansion is progressing as planned and is expected to become operational by Q3 of this financial year. We are also advancing on our Kadapa greenfield expansion and the land acquisition for same is in final stages.

The Kadapa facility currently supports a capacity of approximately 2.5 million units per month, providing a strong foundation for future growth. We are also developing a second manufacturing cluster in Greater Noida and the land bank already has been identified and applied to the authorities for allocation.

In parallel, our localization incentives continue to move forward. We have incorporated Corelink Cable Technology Private Limited, a joint venture with Orient Cables for

manufacturing of network LAN and CCTV coaxial cables. The proposed facility in Rajasthan will cover approximately 1 lakh square feet and is expected to start commercial production by end of this financial year. During the quarter, we continued to scale our manufacturing capacity to meet growing demand.

This month we are adding three more FA lines and one MI line and with this addition, we have a total of 42 FA lines, 4 MI and 12 SMT lines by the end of August. Innovation remains central to our future growth. We are actively exploring to expand into new categories, including machine vision cameras, drone camera modules, industrial autonomous mobile robots and home IoT products such as video door phones, door locks, and smart doorbells.

We are also broadening our professional portfolio through CP PLUS Pro series of high-end AI powered solutions, global shutter cameras and explosion proof products. Several of these offerings are currently under final stage of development and targeted to launch by the Q4 of this year. We are also accelerating the rollout of Nexivue brand and expanding the product portfolio further under this second brand in the coming months.

This enables us to serve a wider range of customers and increase channel partner coverage. A key strategic initiative is our enhanced focus on enterprise, government and AI driven opportunities. We are moving towards a top-down demand generation model. This involves identifying target accounts, engaging customers directly, securing empanelment at the design stage and fulfilling projects through our strong system integrator and channel ecosystem.

This approach enables us to influence demand and specification at an earlier stage, improve specification wins and advance our position with the value chain. Dedicated teams in demand generation, pre-sales, business development and vertical solutions are helping us deepen customer engagement and strengthen our position in larger, higher value projects.

Artificial Intelligence represents one of the most significant growth opportunities ahead. We are progressing through multiple stages across government enterprise, small and medical size business as well as strategic market segments. These stages range from proof of concept and commercialization to development and evaluation.

Our objective is to build scalable AI powered solutions that leverage our existing market presence while opening entirely new avenues of growth. As we continue to scale, building leadership depth remains a priority. Over the last year, we have strengthened our leadership team through key appointments, including the Head of Credit and General Counsel.

Our CHRO will join shortly and recruitment for the Head of Merger and Acquisition is progressing. Alongside this, we are building a stronger second line of leadership across marketing, finance, product management and sales functions. These initiatives will ensure leadership continuity, accelerate execution and support sustainable long-term growth.

We also remain focused on strengthening supply chain resilience and procurement flexibility. Our engagement with a diversified base of SOC, memory, flash and sensor suppliers has

helped reduce concentration risks and enhance our ability to navigate periodic disruptions across the global component ecosystem. We continue to follow a multi-sourcing strategy to manage these risks and ensure greater supply chain resilience.

To conclude, Q1 FY2027 represents a strong start to the year. We have delivered exceptional growth, expanded profitability, strengthened our balance sheet, advanced our manufacturing strategy, accelerated innovation and laid the foundation for future opportunities in enterprise solutions and AI.

As we move forward, our focus remains clear: delivering sustainable growth, strengthening market leadership, investing in innovation and creating long-term value for our shareholders. Thank you once again for your continued trust and support. We look forward to sharing another successful year with all of you. Jai Hind, thank you.

**Moderator:**

Thank you. We will now begin the question-and-answer session. We have our first question from the line of Dhruv Jain from Ambit Institutional Equities, please go ahead.

**Dhruv Jain:**

Hi team, thanks a lot for the opportunity. Couple of questions. So, first question is on what is the kind of price hikes that you have taken in this quarter? And I think Aditya sir alluded to the fact that the low cost inventory is over. So just wanted to understand if there is now a gap between the prices that you are seeing and if -- what is the kind of price hikes that you are taking, what extent rather? That's my first question.

**Aditya Khemka:**

So, we are trying to not pass the whole by price hike at one go in the market because the cost hike in DDR and SOC has been phenomenal across all product categories and not only CCTV. I think we have so far played it well and it is showing in our numbers also. And we are doing it on a monthly scale or a two-month scale or some products in a quarterly scale. So, product to product it varies. It has varied from between 10% to 20% so far.

And as we move forward in the Q3 and Q4, we are watching carefully with respect to the cost escalations and then passing in a gradual manner to the customers. So, we don't pass an inflationary shock to the consumers, which might affect some consumption temporarily. So far we have not seen any consumption effect in a major way and we hope that we are able to mitigate the inflationary pressures in the coming future.

**Dhruv Jain:**

My second question is on backward integration. So, with two of your key backward integration projects coming through in this year, what is the ideal margin improvement that one should expect in possibly FY2028? And in connection to that, what are the other BOM cost components that you see you will be able to do it in-house so this margin improvement trajectory can continue?

**Aditya Khemka:**

So Dhruv, we are doing several activities on backward integration, be it housing enclosures, cable connectors, lenses and in the future we will also plan bare PCBs locally with third-party supply chains. I think all of these will have certain basis points additions and we are working and we have also worked on certain numbers what it can add.

It will be early to make a comment on how much it would be but in each of these categories we will have some strengths being built within the organization with the scale of manufacturing and the scale of localization. So, I would probably not be able to comment exactly what percentage of margin improvement will happen but yes there will be couple of basis points in the coming future as we scale up each aspect of the localization.

**Dhruv Jain:**

And which products, you mentioned bare PCB but any other -- couple of other products that you think in the next phase of backward integration that you look to do?

**Aditya Khemka:**

See, all I can say is whatever is possible in India, we are as a company trying to do that. What is today not possible and it is not core to our business, we are not doing. Something like semiconductors or passive electronic product components, we are still not entering into localization because it is largely dependent on KGD, fab, and other things. But everything else, we are step by step, moving towards that. As we progress towards the end of this financial year, all of this will be kicked off in high scale. We are already doing it through third party, some here and there, trials and other things, but scale manufacturing in-house will kick off in Q3, Q4 of this year.

**Dhruv Jain:**

Got it, sir. And this one question if I may. So you spoke about entering new product categories and expanding your target market. If you could just speak a little bit about that in terms of new product categories, what is the kind of addressable market that you are trying to cater to? Any other detail would be very helpful. Thanks a lot.

**Aditya Khemka:**

Sure. We are doing couple of things in different segments of the market. On the enterprise government segment, we are creating a series of products which we will call CP PLUS Pro series. Now, these are products developed by our Taiwan R&D center and these are on the highest end categories of SOCs components, stuff like that.

This you can compete with the highest category of global brands, and the features are really top-notch. This will largely address to the high-end government, high-end enterprise demand, which was a little bit of a vacuum that the last leg was missing, and we are plugging that. This will also challenge a lot of global brands, because their costs are much higher, and CP PLUS will offer a much better value proposition to our customers with such high specs. That is one. Second, on the home and IoT space, we are expanding more categories for smart home and secure home.

On access to the home, like door phones, doorbells, stuff like that, is what we are expanding. Door locks maybe. These three categories we are expanding. Third, we are looking at more futuristic industrial automation, like industrial robots, AMRs, those kind of products. Machine vision cameras, which are very high speed, high precision cameras on manufacturing lines. Also drone gimbal cameras, which we have already started studying and soon, we hope to bring that in order in the coming years. Right now, the drone gimbal cameras is not being manufactured much in India, to best of our knowledge. I think we are, as a company, best positioned to do the cameras for the drones. These are the new categories and

initiatives under exploration.

All of them are at different stage of go-to-market strategy.

**Moderator:** Thank you. We have our next question from the line of Naushad Chaudhary from Aditya Birla Sun Life Insurance, please go ahead.

**Naushad Chaudhary:** Hi, thank you for the opportunity. Congrats on a good set of numbers. Follow-up on Dhruv's question, the new initiatives which we are taking for new categories, can you share....

**Aditya Khemka:** Naushad, I could not understand if you can repeat please.

**Naushad Chaudhary:** Is it better now, sir?

**Aditya Khemka:** Yes, much better, Naushad.

**Naushad Chaudhary:** Yes. So on the new category initiatives, what kind of TAM could expand for us once we roll out all these categories?

**Aditya Khemka:** So Naushad, everything – like we are working on three or four different ones. Every category will have a different possible TAM. The Pro series of course has a large decent TAM which is being catered by global brands right now and we wish to enter and capture a size in that segment, which is largely the percentage of market catered by the global brands.

The home IoT is a new market development, doorbells, door locks, these are things which eventually we believe should be part of every home but it's a market to develop and of course, potentially in the next several years could be a great TAM.

The industrial automation and all we are exploring right now and drone, gimbal cameras, we are working and developing the market strategy, reports and all and also the product development and supply chain on those categories but the work already begun and taking good progress.

**Naushad Chaudhary:** So would it be fair to assume it could add additional at least INR5,000 cores to INR10,000 crores of opportunity?

**Aditya Khemka:** I hope so. Let's see. With early stage, I can't comment today but these are good adjacencies is all I can say and we as a company have good expertise on these technologies and whatever add-on expertise required we are building, we're building even teams for the go-to-market on each of these specialized lines. So, I think we as a company has always tried to develop future technologies earlier to the market and that's what these new initiatives are in line with that, that we eventually evolve as a market leader only.

**Naushad Chaudhary:** Okay and on the margin profile side, see I heard what you said on Dhruv's question but qualitatively with all the backward integration initiatives, the tech tie-ups which we have and increasing our revenue share from the own brands and IP camera, I am sure other initiatives

you would have taken plus price hike which may give some operating leverage as well. So with all these initiatives, is there any further scope from here on a meaningful scope to lift the margin profile of the overall business?

**Aditya Khemka:** So Naushad, I think we have given our guidance for the year, which is 14% to 15% EBITDA. We in quarter one stand by that only, I think we are at 14.8%. We, at this moment would stick to the guidance and internally we always try to beat the guidance but I think we will probably comment more on that after the half year results.

**Naushad Chaudhary:** Thank you so much team. All the best. Bye.

**Aditya Khemka:** Thank you.

**Moderator:** Thank you. We have our next question from the line of Anuj Kashyap from A3 Capital, please go ahead.

**Anuj Kashyap:** Hello, good afternoon team. Am I audible?

**Aditya Khemka:** Yes, Anuj, maybe if you can be a little louder it will be better.

**Anuj Kashyap:** Okay. Sir just I wanted to know sir that we have established 43% market share, like is it under our control? So, sir as a brand or as a strategy, are we seeing that there is a moat around our brand? And sir why I am asking this question because sir recently government like it has allowed Chinese firms into the transformer side of the electrical equipment side, which before it Indian side was protected.

Like supposedly we see the government passes some order and allows Chinese firms again into India. So, do you think sir that our brand like is able to build a moat around like whether it is price-wise, value-wise or like any of the strategy? I wanted to know about it.

**Anup Nair:** Yes. So Anuj, hi, this is Anup here. So yes, so in all our presentations also we have been talking about the levers that we have. And we believe there are multiple levers. One is of course the strength of the brand, it's almost synonymous with the category. The distribution reach and we focus quarter on quarter in increasing that, whether it's the distribution reach or the direct connect with SIs and end customers.

Of course, the manufacturing, which we think is unparalleled. We have often spoken about our plants and expansion plans here. We are the third largest factory in the world. The R&D, which is also evolving into a great strength for us, which is also allowing us to broad-base our sourcing and the manpower and the management depth that we spoke about.

So, all these are moats which are playing itself out. And even now, if you look at the STQC that you are talking about, there are almost 40 plus brands which we think have got empanelled. So, it's not as if there is no competition. There is competition.

But we are sticking to our execution plans and the market shares across categories, we map

it and we are comfortable with where we are placed right now. And with regards to the other things you said, see, CCTV is a priority sector for the government and we do not see any deviation from policy from the government's side at the moment.

**Anuj Kashyap:** Thank you, sir for the detailed answer. And best of luck for the future endeavors. Thank you.

**Anup Nair:** Thank you.

**Moderator:** Thank you. Next question is from the line of Mudit Bhandari from IIFL Capital, please go ahead.

**Mudit Bhandari:** Hi sir, thank you for the question. Regarding our joint venture for cable manufacturing, so how much would be the cable as a percentage of raw material or sales when we give guidance of revenue of INR60 billion to INR65 billion for FY2027?

**Anup Nair:** Yes. Hi, Mudit. So there's two part of the cable strategy. We spoke about that the JV will manufacture of course CCTV cables and networking cables. And also then, we spoke about component of the camera which is the harness cables and all. So, the first two that we spoke about is sold in CP PLUS brand more as an attached business to the BOM. So, it's not – it doesn't go within the BOM. So that's the first priority for the JV.

That we would say is not less than 5 percentage of the overall business. And at the second stage, yes, the JV will get into helping us localize in terms of the CCTV, the cable cameras and the harness cables. But the amount of optimization and the backward integration that can happen is minimal, it's in a percentage points. I think we can speak of that in the future calls. I think it would be single-digits.

**Mudit Bhandari:** Got it sir. Just to clarify 5% of business means 5% of revenue, right?

**Anup Nair:** Of CP PLUS's revenue as the cables business. That is the accessories attached business that goes along with the CP PLUS brand.

**Mudit Bhandari:** And that would be how much of INR60 billion to INR65 billion?

**Anup Nair:** See, currently what we spoke we are saying that CP PLUS is almost 87% of the overall company, so you can do your math.

**Mudit Bhandari:** Okay. Got it, sir. Thank you so much.

**Moderator:** Thank you. We have a next question from the line of Shubham Thorat from Perpetual Capital Advisors, please go ahead.

**Shubham Thorat:** Yes, thank you for the opportunity. Am I audible?

**Aditya Khemka:** No, Shubham. You need to speak with your handset.

- Moderator:** The line for the participant got disconnected. We have our next question from the line of Saurabh Shah from AUM Fund Advisors, please go ahead.
- Saurabh Shah:** Hi, thank you for a great set of numbers. One question was on sourcing side, how much of your BOM is imported equipment in terms of the chips and all that from which countries if you could please clarify?
- Aditya Khemka:** So, Saurabh, Aditya here. So, Saurabh BOM wise if you look at the critical parts, which are the semiconductor-based solutions are all largely from Taiwan because most of the fabs are from Taiwan. These are companies which are Japanese, Korean, American or Taiwanese. And as per the Indian law, now you are not allowed to use anything on semiconductor from Chinese. So, all our supply chain is from Taiwan and that's almost 35% of the BOM.
- Another 15%, 20% is passive electronics. Now, those come from both Taiwan and China. The other parts which are housing, enclosures, cable connectors and soon. We are now already doing trials for lenses and few other categories. Now that will be localized. So I would say a 55%, 60% import solution and a 40% domestic is something we are eyeing probably once all these localization initiatives kick off in the next two quarters.
- Saurabh Shah:** Thanks. Over a period of the next two-three years do you expect that to change? And especially as you said you're looking at newer areas.
- Aditya Khemka:** So, like I said everything what is possible AIL and CP PLUS is moving in that direction or already doing it in India. Now, in the next few years, there is a lot of talk of fabs coming in. If fabs come in, semiconductor can be sourced locally because like even us we are also working with India design companies together develop India based chips also. So, if fabs come up it all depends on that. And the scale comes up, we can localize.
- If the bare PCB scale which lot of companies are making come up we can localize. So those are the two initiatives we feel can be done. Lens is one we are taking the initiative as a company to build a completely backward integration plant. Right now, we are setting up trial automatic line to produce few lakhs but we are working parallelly on a fully automated plant. If that works out then that could be localized. So, these are future possibilities but early stage to make comment that will it be done or not.
- Saurabh Shah:** Sure. Last question from my side going forward, how do you see the current -- I mean apart from the sourcing issues, the currency exposure how are you currently managing and any changes to that you anticipate making? Because obviously in the last couple of quarters...
- Aditya Khemka:** As a company we follow a practice of hedging our bets on the forex exposure. We've been doing that for maybe more than five-seven years, or I don't remember how many years already. So currency of course affects the costing, but we are as a company hedging it on a weekly basis. So, every week we hedge the currency and we build it as part of our costs.
- Saurabh Shah:** Okay, can you just explain that a little bit more, because see, you have inventories which

obviously helps if the currency has depreciated compared to its peers but if you have committed sales values and you have to import some parts then do you get caught on the wrong foot and if you just explain what is the value you hedge, for example, and how do you kind of lock in sales to affect that?

**Anup Nair:**

So, Saurabh, we have a complete detailed policy on our hedging where it is reviewed by the board and it's adjusted. So, like Aditya was just mentioning we have not gone below 85% of our complete receivables and creditors at any point in time. So according to the trends and what we see, it keeps getting adjusted between 85% to 100% and any particular quarter that's a policy at currently we would be at 90 percentage plus levels of forex covers.

So in a way it that insulates us from any volatility in the forex market. I hope that answers your question.

**Aditya Khemka:**

See, it's like what he meant is what happens in every week shipment, we try to block it in the coming weeks. So, we try to keep that hedge of 85% to 90%.

**Saurabh Shah:**

Okay. Good to hear. Thanks.

**Moderator:**

Thank you. We have our next question from the line of Sargam Garg from ICICI Bank, please go ahead.

**Sargam Garg:**

Hi sir, thank you for giving me the opportunity. So sir, couple of questions I have. One is sir since April 2026 the government has banned the Chinese products in the components, so just want to know the impact on the company because of such banning.

**Aditya Khemka:**

So, see what happened is the government came out with the STQC norm where you could not use Chinese semiconductors and Chinese memory in developing CCTV products and the products had to be completely cyber secured, well tested by government of India. This norm actually came out on 9<sup>th</sup> April 2025 not 2026. In March 2026, what they came is that they had allowed the old inventory to get cleared.

So, after 1<sup>st</sup> April 2026, the old inventory even if you have, you could not & you are not allowed to sell. So, they gave good 10-11 months to clear the inventory. But the stoppage of selling Chinese component based products on the semiconductor side happened in 2025. So, it's almost now one and a half year of the transition. And the market had of course pumped a lot of old inventory in the beginning of 2025, 2026, which is all exhausted.

And now I think, as Anup also mentioned there are almost 40 plus brands in the market who are certified and selling certified ER products. The supply chain side and the cost escalation side there are challenges which I think a large organization with the ability to secure semiconductors like us is in a better position to mitigate and some smaller players are grappling through those challenges.

So that is what is happening in the market. And we as a company are constantly focusing to

continue to grow our market share which you are seeing in every quarter results that we are delivering and we are strong and confident to do that in the coming quarters also.

**Sargam Garg:** Another question is, is there any impact of Middle East crisis on our raw material procurement or supply chain?

**Aditya Khemka:** No, we don't have any impact on the Middle East crisis thankfully on the supply chain at this moment. We have not faced any such issue barring some impact on the forex which we co-hedged.

**Anup Nair:** And freight and logistics coming.

**Sargam Garg:** Okay. Thank you, sir. And the last question from my side is I just want to know about the sustainability of margins because as you mentioned that the low-cost inventory has been exhausted as of now.

**Anup Nair:** So, Sargam, we have already answered this question that we stick to what we have guided for the year and the price rise that's happened on the supply side, it's a pass through but there might be a time delay as because we are gradually passing it to the market. But we stick to whatever we are guided for the year and internally we'll try to overachieve that.

**Sargam Garg:** Thank you so much sir. Thanks a lot.

**Moderator:** Thank you. We have our next question from the line of Shubham Thorat from Perpetual Capital Advisors, please go ahead.

**Shubham Thorat:** Hi. Am I audible now?

**Aditya Khemka:** Yes.

**Shubham Thorat:** Thank you for the opportunity sir. My first question is I just wanted to know what is our current capacity and what kind of capacity utilization management?

**Anup Nair:** So, Shubham, our current capacity is at about 2.5 million units per month and currently our capacity utilization should be at between 85% to 90%. Month-on-month, it slightly varies based on the supply chain and all but it's currently at about 85%, 90% utilization.

**Shubham Thorat:** Got it. So since the utilization is at higher end, we are planning for a Capex, I understand. So, do we have any timeline around the Capex, like when we will be ready with the newer capacity and what capacity are we trying to add?

**Anup Nair:** Yes. So, we have broadly spoken about almost doubling this capacity in the next three years. And we are doing an intermediary land expansion we have acquired in Kadapa. So that will be where the first expansion happens. And then, we are looking at a land bank in Greater Noida which will be our second manufacturing cluster. So, there will be a gradual work up in capacity that you will see quarter-on-quarter.

- Shubham Thorat:** Okay. And I understand that you mentioned we are passing on the price increases gradually. So just wanted to understand how much average price increase that we have already taken and how much more we will need to take in order to pass on the whole price increase?
- Anup Nair:** Shubham, again we answered this question. We have been taking it month-on-month it's different across categories but on an average I think by the end of this H1 we would have taken almost a 15% to 20% price increase and then we'll keep reviewing it month-on-month and quarter-on-quarter. For the whole year, we had almost guided that there might be around 25% price increase, so we keep monitoring it quarter-on-quarter.
- Shubham Thorat:** Okay. And the last question from my side is I understand that we are launching -- we are entering into some new product categories. Any broad timeline around when we will be launching these products category-wise?
- Anup Nair:** So, we had discussed about different set of categories. So, one on the enterprise side where we spoke about CP PLUS Pro, which is coming out of our Taiwan R&D and other sources, that is the most closest timeline which should be live by the end of Q3 and the beginning of Q4. The same similar kind of timelines are for the Home IoT category that we spoke.
- The third category in terms of the AGVs, the home robots, industrial robots and the cameras for the drones, that is more at an exploratory and study stage. So, we will come back to you when we can commercialize that.
- Shubham Thorat:** Okay. Just one final question, how much is our R&D cost as the percentage of revenue currently?
- Anup Nair:** Shubham, currently R&D is something which we are heavily investing into and we do not budget for that as percentage of revenue. It's more at the moment it's a moat for us and it's a strategic initiative. So, we are expanding, so we do not look at this as a percentage of revenue currently. Whatever is needed as investments on that side we are going ahead with the same.
- Shubham Thorat:** Okay. Understand. Thank you so much sir. That's it from my side.
- Anup Nair:** Thank you.
- Moderator:** Thank you. We have our next question from the line of Udit Gajiwala from Motilal Oswal, please go ahead.
- Udit Gajiwala:** Yes, hi team, good afternoon and firstly congratulations on another great set of numbers. So, you mentioned about this enterprise range of CP PLUS, where you mentioned we are doing it at a global standards. So just wanted to check domestically you all are doing, I mean phenomenal job, how much you know this will help us in exploring the export opportunity and what are the plans there if any?
- Aditya Khemka:** Yes. So, you're right, so this is essentially the portfolio that will go into the export opportunities that we are looking at. Export like we mentioned is on our table and it's on in

our plans, but it's slightly longer term in terms of maybe in the next 18 to 24 months is where you will see in terms of significant numbers coming in.

Currently, with the supply chain constraint and the capacity expansion that are happening, so that's where we are focusing on. And the portfolio by then will get sort of released in the Indian market and field tested. And then you will see us focusing on export opportunities.

**Udit Gajiwala:** Okay. So that's still on drawing board, but in 18 to 24 months we may think of making that also as another growth lever for us.

**Aditya Khemka:** Yes, Udit.

**Udit Gajiwala:** Rest have been answered sir. Thank you so much. All the best.

**Moderator:** Thank you. We have our next question from the line of Shreyansh Talesara from Equentis Wealth Advisors, please go ahead.

**Shreyansh Talesara:** Hi sir, thank you for the opportunity. Sir, last time I think you mentioned there was a lot of issues around chip sourcing side overall as an industry trend. What are we seeing now? What is it, how is it playing out now? Maybe last time when we spoke maybe with Anup the situation was that we have chips sourced till March of next year.

Maybe if you could indicate how secured are we as of today, that will be helpful. And second question is on the other expenses side, I think it increased from INR950 crores to INR1,170 odd crores. So, anything material to read there or nothing material as of today?

**Anup Nair:** So, this is Anup here. So, the first question, yes we had spoken about that as a strategy on the SOC and memory side we continue to cover for three to four quarters. So that we are continuing as a policy. The supply side constraints still continue, the price hikes are still going on from the commentary that we are hearing from the global sources, it's expected to continue for some more time.

But we are fairly covered in terms of our relationships and our sourcing strategy there. So yes, I think in terms of how we are managing, I think we are pretty comfortable. Your second question was around?

**Shreyansh Talesara:** The other expenses side, but just before that, so we are covered till next June maybe, I can assume that?

**Anup Nair:** Shreyansh, we are not talking about March or June. We are talking about a sourcing strategy where we give projections to those vendors and we cover. So, cover doesn't mean that I can tell you it's March or June. It's a strategy. We keep rolling forecast going with them. So that forecast is for anything for between three to four quarters.

**Shreyansh Talesara:** Got it. Nothing material in terms of disruptions in terms of sourcing?

**Anup Nair:** No.

**Shreyansh Talesara:** Got it. And the second question was on the other expenses side.

**Anup Nair:** Yes. So there's nothing, it's more or less in line. So, some of the expenses there's seasonality to it. For example, if there's a marketing expense, it might not be in line with 20% revenue which has to happen in the first quarter, there are some IPL and which all. So maybe your marketing expense would be at maybe 30%, 32% of the whole year. And some of the other expenses are in line with the inflationary like appraisals and multiple things. So there is nothing odd in that. It's all in line.

**Shreyansh Talesara:** Got it. Fair enough. Thanks for the opportunity. All the best.

**Anup Nair:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, that was the last question of the day and I now hand the conference over to the management for closing comments.

**Aditya Khemka:** Thank you. Thank you all for attending this call. We believe, we'll meet in the further calls and we'll continue to deliver results that beat the expectations. Thank you.

**Moderator:** Thank you. On behalf of ICICI Securities Limited that concludes the conference. Thank you for joining us and you may now disconnect your lines.