



“OSEL Devices Limited
H2 FY26 Earnings Conference Call”

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**MANAGEMENT: MR. RAJENDRA RAVI SHANKAR MISHRA – MANAGING
DIRECTOR – OSEL DEVICES LIMITED
MR. MUKESH KUMAR SINHA – WHOLE-TIME
DIRECTOR – OSEL DEVICES LIMITED
MR. DIPANKAR GHOSHAL – CHIEF EXECUTIVE
OFFICER – OSEL DEVICES LIMITED**



Moderator: Ladies and gentlemen, good day and welcome to the H2 FY26 Earnings Conference Call of OSEL Devices Limited. This conference call may contain forward-looking statements about the company which are based on the beliefs, opinions, and expectations of the company as on date of this call. These statements do not guarantee the future performance of the company, and it may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. We have with us from the management Mr. Rajendra Ravi Shankar Mishra, Managing Director; Mr. Mukesh Kumar Sinha, Whole-Time Director; Mr. Dipankar Ghoshal, Chief Executive Officer.

I now hand the conference over to Mr. Dipankar Ghoshal. Thank you, and over to you, sir.

Dipankar Ghoshal: Thank you. Good afternoon to all and thank you for joining us today. To give a small brief about the company, our company operates across three distinct high-growth industries: LED display, hearing aids, and mobile devices. With full ownership of the value chain from design and R&D through manufacturing and quality certification, all the way to installation, after-sales, and now clinic-led retail.

Now what makes OSEL structurally different is the combination of three things that are hard to replicate. Together, since we hold the US FDA registration, ISO 13485, CDSCO MD5; second, recurring revenue, our proprietary CMS platform and SFL clinic network means we are not purely dependent on hardware sales cycles; and third, and forward integration, we are not just a manufacturer supplying someone else's brand, we are moving into the highest value endpoint in each vertical.

In financial year '26 was a strong year. Revenue grew 56.9% to INR292.7 crores. EBITDA expanded 57.9% to INR53.3 crores at a margin of 18.2%. And profit after tax grew 45.7% to INR29.2 crores. Importantly, this growth was not concentrated. All the three verticals contributed, and our export revenues crossed INR23 crores.

We are looking forward to our JNPA SEZ hub with commercialization expected from April 2027. This will significantly expand our exports and OEM capacity from India's business port, with SEZ tax benefit combined with our US FDA registration unlocking the US hearing aid market. We believe the next phase of growth will be both large in scale and higher in quality of hearing. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Pratiti Khara from Param Capital. Please go ahead.

Pratiti Khara: Hi. Am I audible?

Moderator: Yes, you are.



- Pratiti Khara:** Hi, sir. So, I just wanted to clarify a financial aspect. In our September cash flow statement, I could see a line item which said increase or decrease in short-term borrowings, which was classified under cash flow from operating activities. This was around INR50 odd crores in the year for September 2025. Ideally, short-term borrowings is classified under financing activities. So, if that were the case, the operating cash flow would be negative INR40 crores instead of positive INR10 crores, if that is right. So, just wanted to know your thoughts on the same.
- Ravi Mishra:** So, this came into our understanding as well, and I think in the current financials we have rectified this. And the new financials are based on these parameters only.
- Pratiti Khara:** Okay, all right. And what was the reason of whatever was raised in the IPO, which was raised under working capital terms, is now being drawn down as a CC line of INR30 crores in front of that and has been invested -- that money that was raised in the IPO is invested in the mutual funds and shown under investing activities. So, why is that the case? Why weren't we using that money directly for working capital?
- Ravi Mishra:** So, at that instance when the money was raised basically, we raised it for working capital, and working capital requirement is not always exactly the same amount. So, at that particular time, we had to park the funds and we parked it into mutual funds. And then we have taken up limits against that mutual fund, which gives us the interest arbitrage anyway happening. So, it is not costing us anything, and that gives us a leverage of utilizing funds as and when required. And when it is idle, it is anyway earning from the mutual funds.
- Pratiti Khara:** Okay. So, going ahead, this line item will be in financing activity, right?
- Ravi Mishra:** Correct, yeah.
- Pratiti Khara:** Okay. Thank you. That's it from my side.
- Moderator:** Thank you. The next question comes from the line of Nishita Shanklesha from Sapphire Capital. Please go ahead.
- Nishita Shanklesha:** So, I just wanted to understand what is the reason our interest costs is like almost double in H2 FY26, and what is the steady-state interest cost that we can see? Like our debt has also increased quite a lot, so...
- Ravi Mishra:** I am sorry, you were not very clear.
- Nishita Shanklesha:** I just wanted to understand -- am I audible now?
- Ravi Mishra:** You are audible, yeah.
- Moderator:** Nishita, I would request you to use your phone on the handset mode in case if you are on a hands-free mode.
- Nishita Shanklesha:** Yeah, yeah, sure. So, am I audible right now?
- Ravi Mishra:** Yeah, go ahead.



Nishita Shanklesha: Yeah, I just wanted to understand why is our interest cost almost double in H2 FY26? And on a steady-state basis, what sort of interest cost can we see going forward?

Ravi Mishra: Okay. Interest cost might have doubled which is shown in the books. One, of course, we have taken funds against the mutual fund, so interest is anyway incurring, but the mutual fund earnings are not shown in the books because it will come when the mutual funds have closed. So, that is an additional interest that we are incurring right now.

And of course, our working capital limits also have been increased, and so the interest cost is there, which is added to it. Going forward, we are anyway working on these terms, and we are trying to basically improve our working capital utilization. Instead of just utilizing cash credit from there, we are trying to convert it into LC and other terms, which will basically reduce our interest terms. So, we will be better utilizing the funds and limits available to us.

Nishita Shanklesha: Okay, understood. And another question would be on capex. Are we looking for any capex in FY27? If so, how much would be the amount and what will the capex for?

Ravi Mishra: As we have mentioned, we have a project for JNPA wherein we are trying to set up our own manufacturing hub. So, this will certainly be requiring capex in all those things. We are working on that. We have recently received the LOI for it, and we are working on it. Once we have the complete clarity on it, we will know the numbers that would be required for the capex in that.

Nishita Shanklesha: Right. So, like what is the update on this project? Where are we at right now?

Ravi Mishra: So, we have recently, last month itself, we have got the LOI from the JNPA, which is the allotment and all those things. Now we are already working on the project. Project is being prepared. So, once everything is done, we will know the actual cost that we need to incur in that project and the timelines. And accordingly, we will have clarity on that.

Nishita Shanklesha: Okay, okay, understood. And my next question is on like we've done around 57% of revenue growth in FY26. So, going forward, what sort of growth do we see in FY27 and FY28? And even on our margins, like is the 18% margin sustainable for long term?

Ravi Mishra: Right. So, in terms of business growth and all, we are going in a good way, and all the three verticals that we have been working with is doing good and they are increasing. Philips vertical has just started last year itself, and it has contributed well, and we are expecting it to grow much faster and much further actually. So, yes, we will be maintaining this growth rate and maybe we can better it from here.

And in terms of EBITDA margins, we are expecting it to be similar or even better because we are also entering into retail of with SFL acquisition. We are also getting into the retail acquisition -- retail business of hearing aids, which is high-margin business. So, we are expecting both growth and EBITDA margins to get better from here, at least for next four-five years.

Nishita Shanklesha: Right. So, on retail front, like are we going to see any revenue contribution starting from FY27?

- Ravi Mishra:** Yes. The acquisition of SFL is already doing some revenue in terms of like INR26 crores-INR27 crores, I am sure they are closing last year. And we are going to improve from this. So, that revenue is already available to us, which we have not considered in this year's balance sheet, but from next year it will be considered to us. So, that contribution is going to come anyways.
- Nishita Shanklesha:** Okay, okay, understood. Yeah, thank you.
- Moderator:** The next question comes from the line of Achuth, an Individual Investor. Please go ahead.
- Achuth:** Hello, sir. My first question is, I am new to this company, sir. First, I want to understand like regarding mobile side, are we manufacturers or assembler or trading mobile phones, sir?
- Ravi Mishra:** Okay. So, technically we are licensed to manufacture mobile phones from Philips. And we are doing the end-to-end business of this from manufacture to final retail sales. And in current scenario, we have outsourced our manufacturing to another company which is into mobile phone manufacturing.
- And once the scale is big enough and stable, and that's when we want to get into our own manufacturing and we want to basically invest into our own manufacturing setup. Right now, we are outsourcing the manufacturing, which is done by a third-party.
- Achuth:** Okay. So, how much is that margin on mobile phone business, sir? Because you are outsourcing, what is the margin on mobile phone business, sir?
- Ravi Mishra:** We are not outsourcing mobile phones as such, we are outsourcing the job work. So, we are anyway keeping giving them just the job work payments for that. But margins that we have in terms like I would just say a phone, basic phone that we are selling is costing us around INR650 to INR667, and then our distributor sales price or our realization is around INR850 on that. So, almost the margins are good, around 25%-30%, I guess. This is on the feature phone.
- Achuth:** So, are you selling basic mobile, sir? Like the cost is very less, so...
- Ravi Mishra:** Yeah. So, we basically started -- correct. So, we started with a safe things basically. We wanted to play safe. So, we started with keypad phones rather, which is called feature phones in the market. And we started with that. And once we had a stable sale coming up for that, we started with our smartphones as well. And from March onwards, our smartphone shipment has already started. So, we have entered into smartphone market as well.
- Achuth:** Okay. And I mean, in the current financial year, how much percentage of revenue you are planning to make from mobile phones, sir? And in the long-term also, what is your goals, sir? Like you want to focus more on hearing aid or you want to become a major mobile phone manufacturer? What is the thought process for the future?
- Ravi Mishra:** Okay. So, that's a difficult question to answer, which one we want to prefer more because all the three segments are important to us, and they have different pros and cons, of course. So, when it comes to mobile phone, of course, the value addition of mobile phone will grow because it's a



large market. And mobile phone market is very large, meaning smartphone market is INR4 lakh crores plus and our feature phone market is around INR10,000 crores plus.

So, of course, it will have a larger contribution in the top line of the revenue. But when it comes to actual bottom line and profitability, hearing aid is where our most favored product is basically because the margins are very good in hearing aids. And we have less competition in terms of available competition in the market.

So, hearing aid is our favorite in terms of profitability, and mobile phone will become favorite in terms of top line. And LED basically will give us the reach that we need in the corporates and other places. So, technically all three verticals have important role to play.

Achuth: And sir, you told that you started smartphone manufacturing since March of this year. So, if it is possible, can you mention with which customers you're tied up, sir? Are you tied up with any major mobile phone company, sir, or local one?

Ravi Mishra: No. So, we are doing Philips smartphones. So, we are doing Philips brand smartphones. So, we have the brand license from Philips. So, you can consider us to be Philips in India for mobile phone category. So, we are not manufacturing for anybody else; we are manufacturing on the brand of Philips for our own consumption and sales, not for any third party.

Achuth: Okay. And do you have any target, sir, this year how many number of units you'd be manufacturing?

Ravi Mishra: So, we are creating and we have created our own network of dealers and distributors. And that's where the feature phone market has already started and smartphones are also going through that. And so far in last year, we have reached around 4.5 lakh plus mobile feature phones into the market, which will continue to grow here. And we are expecting good numbers this year also. So, basically when it comes to smartphones and feature phone, the phone segment will have a bigger growth in this year.

Achuth: Okay. And last question, sir, what is the guidance for FY27?

Ravi Mishra: FY27 guidance. So, as we mentioned basically, we will continue a similar set of growth that we have achieved this year. So, and in fact in both the terms, in terms of EBITDA, in terms of top line, we will be bettering what we have done this year.

Achuth: Okay, sir. Thank you. Thank you so much, sir.

Moderator: Thank you. The next question comes from the line of Deepanshu Bhatia with Finwizz. Please go ahead.

Deepanshu Bhatia: Yeah. Hello, sir. Am I audible?

Ravi Mishra: Yes, please.

Deepanshu Bhatia: Yeah. So, congratulations on a like really decent growth of 57%. So, I can see the two major segments that your company has. I am tracking the company for the first time. So the two major

segments is one is the hearing aid, second is the LED screens and third one is the smartphone manufacturing that you are starting.

So, coming onto the first two segments, it seems like hearing aid is more certified technologically embedded and a higher margin category for the company. So, two questions on that sector: is export a big part of our revenue on the hearing aid side? And if I see for the next 3 years on the hearing aid, where will the major revenue growth come from? Is it like deeper integration inside India or looking at other export markets or like selling higher order hearing aids over time?

Ravi Mishra:

Right. So, hearing aid, of course, as you understood it well that is more profitable and high-margin product and it has got less competition because it has entry barriers in terms of technology and development and research. So, we certainly stand out in this area basically, especially in the country.

Internationally, we have competition from the big brands; they are well-established brands in the international domain. They are called Big Five and other things. So, yes, we are going to strengthen our margins and business primarily in India for hearing aids because India is an untapped market.

We only have less than 3% of penetration meaning the total TAM and the penetration is only 3%, less than 3%. People who are actually needing to use hearing aids and people who are actually using hearing aids, that is less than the 3% of the market. So, as per the data around 88 million people in India would need hearing aids, which is INR8.8 crores. But total sales of hearing aids per year is less than 8 lakh-9 lakh units.

This is an approximate numbers basically. So, there is a huge market to be tapped in India and we are targeting to do that itself basically. So, with that intent only, we have already acquired SFL. SFL is basically the audiologist clinics basically which basically dispenses hearing aids to the end user, the actual patient or actual consumer of the hearing aid are being dispensed from there. So, that is where our retail journey is going to start with. And of course, their margin will be much far better than what we are taking today on the hearing aid side of it.

Deepanshu Bhatia:

Okay. So, today there are 8 to 9 lakh hearing aids sold. How much percentage does we have in this overall Indian market sale today?

Ravi Mishra:

See, we are currently supplying majorly to wholesale market and government tenders basically, which forms a larger part of it, but low priced basically, the ASM what you call average selling price of each unit is very low in these segments.

Deepanshu Bhatia:

We are not dominant in the B2C as of today?

Ravi Mishra:

B2C we have not yet started, I would say. In terms of government, we are the largest supplier to the Government of India.

Deepanshu Bhatia:

But not private, for that you have done an acquisition, right. So, that you can penetrate deeper into that...



Ravi Mishra: Correct.

Deepanshu Bhatia: So, what is the footfall of this subsidiary? How many people visit them every year, unique people, so that we can see how we can expand?

Ravi Mishra: So far what we have seen, they were established in 2014 and they currently have around 100,000 plus customer base or customer database basically that they have catered to. And that's what we have to build on basically, sir.

Deepanshu Bhatia: Okay, okay. So, it's kind of you have to build on that because 100,000 is like a less small number, but it's a good start. Okay. On the second front, on the LED front...

Ravi Mishra: Basically, it's good for us. I will just give you a basic explanation here. It's good for us because see what we sell to government, our selling price is around INR2,500, INR3,000 per unit. But the average selling price in these clinics are INR35,000 to INR40,000 per unit.

Deepanshu Bhatia: For the same product or upgraded version?

Ravi Mishra: Upgraded product, not the same product. So, hearing aids basically if we see in the multi-brand segment, it goes up to INR4.5 lakh, INR5 lakh per unit. So, that is the potential and possibility of hearing aids basically.

Deepanshu Bhatia: And we have all the abilities to manufacture any version, like the higher version or the higher version, right?

Ravi Mishra: Not exactly, I would not say that. We are currently ready with entry-level segments and we are at par with any good brand in terms of entry-level segment. So, that is where we want to start targeting.

Deepanshu Bhatia: The INR20,000 to INR35,000 segment?

Ravi Mishra: Kind of, yes. Yes.

Deepanshu Bhatia: Okay. And the LED segment, so on the LED segment, our primary profit driver, is it the sale of the LED or the recurring revenue through the platform management of advertisement? The profit, the chunk of the profit comes from LED or the service?

Ravi Mishra: So far it is LED sales only because our platform, the content management system platform that we -- that is basically working as a SaaS application -- has been launched last year itself in the current year. So, we have onboarded 300 plus locations in that right now. And we are expecting to do it in next two-three years, we will be expecting to reach out a targeted numbers of around 100,000 units for this.

Deepanshu Bhatia: Okay, so that has just started.

Ravi Mishra: That just started, yeah. So, we have already onboarded a good bank, a good national bank basically is already our customer base and we are increasing on that. A largest what you call a chain of malls is already our customer onboarded on that. So, we have just started with this, and



we are expecting once we reach 100,000 numbers or even 50,000 numbers, it will be contributing very well in our revenue segment. Because it is a monthly SaaS model, so there will be monthly revenue, recurring revenue coming in from that.

Deepanshu Bhatia: Okay, why? Because in the presentation you said INR700 to INR800 per month. So, 50,000 means like INR3 crores to INR4 crores a month might be in that case, right? And right now, till today, it's a small sample size, but is it working well? Are they -- do you think that they will keep it for 5 to 10 years this contract, the monthly charge and the management?

Ravi Mishra: That's why I mentioned one of the top banks in the country has already been onboarded, and banks will not let you in with their any application unless it is very well established.

Deepanshu Bhatia: And you -- do you have a long-term agreement or you just expect that they will continue for 10 years?

Ravi Mishra: No, we have long-term agreement with them because we are doing all the upgrade -- we are doing the digitization of all their branches basically. So, they have around 1,800 to 2,000 branches which we are increasing.

Deepanshu Bhatia: And just this last question: wherever you provide this advertisement service, it's compulsorily you have your own LED or you can provide on any other LED systems also?

Ravi Mishra: No, our application can work with any application, so you can have your own LED or third-party LED segment also can work with this.

Deepanshu Bhatia: Okay, okay. Cool. Thank you, sir. That was my question.

Moderator: Thank you. The next question comes from the line of Kailash Shah, an Individual Investor. Please go ahead.

Kailash Shah: Yeah, hi. Am I audible?

Ravi Mishra: Yeah, please.

Kailash Shah: Okay. So, my question is around the cash flow statement in the financials which you have regrouped compared to...

Moderator: Sorry to interrupt, Kailash, you're not quite audible. Could you also move to a quieter location, please? There's a lot of background...

Kailash Shah: Hello. Yeah. Am I audible now?

Moderator: Much better. Please go ahead.

Kailash Shah: Yeah. So, I just wanted to ask the question around the regrouping of the financials which we have done. I can see a significant part of the financials for the FY25 have been regrouped, especially the cash flow statement. So, just wanted to understand what exactly has been the reason.

I can see there are certain changes like you have earlier included short-term borrowings in the cash flow from operations, that was looking something else, but now picture looks something else. And just wanted to understand like who is the CFO of the company taking care of the financials? So, just a little bit background of the CFO also, please, if you can help us.

Ravi Mishra: Sure. So, basically as we have already discussed in the first question, the reclassification has happened to correct the erroneous reporting earlier that has happened. So, we have corrected that and so the things have moved. I am not a financial guy, but that's how things have been moved basically. And so the reclassification has happened.

Kailash Shah: Okay. And like what about the CFO background if you can share, like whether we have changed the management or what exactly it is, so that we can ensure -- we can be sure of that these mistakes or these clerical mistakes, whatever we term it, will not happen going forward?

Ravi Mishra: Right. So, currently our CFO is MBA Finance from a good institution with proper banking background, 10 years plus in banking sector itself. So, that is there. And of course, in terms of financial reporting and all those things, we have our CA and other things also helping us out with this. And while we are also improving our financial accounting systems, things will be better and we will try to avoid all these errors in future.

Kailash Shah: Okay, okay. And do you think like any other change yet to be reviewed from your end to further strengthen it? Because I can see the cash flow used to be much better earlier versions, like for the FY25 also, but with the -- as we remove the cash flow from the borrowing short term borrowings if we would have removed it then it has been much negative. Now the FY25 cashflow seems weird, like is there something to be change? So, like you need to further strengthen in the financials or you have done a detailed exercise that okay this is the best policy we are now adopting?

Ravi Mishra: There will be a lot of improvements even in terms of our operations and all those things will also improve. Now that we have already been building up our team. Earlier of course we were just a small startup kind of a company -- now we are building our team also. New set of experienced people are joining in and they have already joined in. We have new CEO onboard also. So, things will improve from here. So, we are going to get better only, which is expected from us, yeah.

Kailash Shah: Okay. Thank you. Thank you so much. Thank you for the guidance. Okay.

Moderator: The next question comes from the line of Nishita Shankalesha from Sapphire Capital. Please go ahead.

Nishita Shankalesha: Yes, thank you for taking my follow-up question. Am I audible?

Moderator: Yes, you are.

Nishita Shankalesha: Yeah. So, you mentioned that like our hearing aid segment has much better margins. So, is it possible for you to give us a segmental margin breakup if possible?

Ravi Mishra: I think we can reply this with mail or something like that because I might not have the actual numbers right now. But in terms if you ask me holistically, yes, out of all these three products, hearing aid has got the best top line -- bottom line in terms of in terms of profits and all those things hearing aid is because it's a medical device. And with the retail coming in, our margins will get much better from there.

Nishita Shankalesha: Right, okay. And my next question would be, so we you mentioned that currently we just have entry-level products for hearing aid. So, are we planning to like move up the segment, like are we planning to go towards mid-range of products or something like that?

Ravi Mishra: Yes. So, we have our in-house R&D team which is continuously working on the product development and enhancement of the product and new product launches basically. So, of course, we have just started up and we intend to become one of the top companies, one of the top brands in hearing aid segment internationally as well. So, we certainly are going to bring in new products and enhanced products into the market.

So, when we say we have the entry-level product right now, so entry-level product also what we are saying is technologically for basic needs of hearing, we are quite well-versed with the product and we are at par with the international brands as well when it comes to the entry-level or of course the basic models. But high-end features like more of AI and other things which is not the mandatory feature required for a hearing aid, that is where we still have to work on.

Nishita Sankalesha: Okay, okay, understood. And I just wanted to understand with the acquisition of SFL, so that will be our retail leg for hearing aid. So, in that are we going to sell only our brand products or are we going to sell other brand products as well?

Ravi Mishra: Right. So, see all these clinics basically like SFL, they are multi-brand centers. And based on the customer needs, requirement because all, single product does not fit everybody. So, everybody have a different need and requirement and that can be served from a different product segment actually. So, they are mostly multi-brand and we intend to keep it multi-brand itself so that we don't lose any revenue as such on this. And since we once we have the multi-brand product range, the customer footfall will be better.

And that will help us sell our product also and pitch our product also to the same consumer base. So, we want to be with the multi-brand thing. Mukesh ji, if you have to input something into this?

Mukesh Sinha: So, I think you have correctly mentioned, so we are intend to be multi-brand, but the new addition would be our own products that is coming very soon. So, from we would be able to give the complete access from like entry-level to the premium level. So, that is that is the biggest advantage.

Nishita Sankalesha: Okay, understood. And like currently we are at 42% of revenue mix from hearing aids. So, after the consolidation of SFL, do we see that increasing?

Ravi Mishra: Okay. So, here what will happen is of course hearing aid SFL will be contributing more to it, but at the same time our LED segment and mobile segment is going to grow much faster and

much bigger. So, the overall contribution will shrink when it comes to hearing aid in terms of percentage of overall sales. But yes, in terms of bottom line or the PAT margins which you say will be better contributor from hearing aid side of it.

Nishita Sankalesha: Right. So, revenue mix will remain like similar to what it is right now.

Ravi Mishra: In fact, I would say revenue mix would basically tilt more towards mobile phones then LEDs and then hearing aids. We are expecting higher numbers from mobile phone sales.

Nishita Sankalesha: Right. So, if that is the case, then like we can see some pressure on our margins because hearing aid is our like better margin segment. Is that understanding, correct?

Ravi Mishra: Correct, that is correct basically. But at the same time with SFL, the if we say if we are making 30% margin or 35% margin in hearing aid with our government sales, the same product we would be selling at double the price or more than that in our retail sector. So, even little contribution in top line from hearing aids will actually contribute more heavily towards bottom line in the overall things. So, that bottom line will not shrink.

Nishita Sankalesha: Okay, okay, understood.

Ravi Mishra: Can I am able to answer you correctly here?

Nishita Sankalesha: Yes, yes. Thank you so much for answering all the questions.

Moderator: Thank you. The next question comes from the line of Rajesh, an individual investor. Please go ahead.

Rajesh: Hello. Am I audible?

Moderator: Yes, Rajesh.

Rajesh: Yeah. Thanks for the opportunity. I was a bit late to the call, so some of the questions might be a repeat. Please apologize in advance for that. I have three questions basically. First is how is JNPA placed for growth and what are the segments that we are targeting here?

Ravi Mishra: Okay. So, JNPA is basically it's an industrial land that we have got from JNPA authority in Navi Mumbai. It's basically a port in Mumbai. And we are trying to set up our manufacturing hub. It will be an SEZ. SEZ means we will be away from tax, GST, and import duties from there, custom duties will not be acquiring there. So, that we are targeting for international customers. We want to improve our export business and we want to target international customers in North America, Middle East, and Africa.

And we are trying to create a setup here, it will basically manufacturing, logistics hub, and warehousing. This will basically cater to these different international markets, and we expect to have better margins, more revenue from coming up from these places. So, it will be additional revenue that will come in, and it might be better than what we are currently doing in the domestic market.

- Rajesh:** Got it. Sir, what all segments are you targeting from this place?
- Ravi Mishra:** From JNPA?
- Rajesh:** Yeah.
- Ravi Mishra:** See, majorly it will be LED business because everyone is looking for China plus one. And this gives us this location gives us strategic advantage wherein we are not incurring any import duties, taxes, and all. And so, what we can do is we can cater to the China plus one customer who are looking for outside China manufacturing, they can always come to us. And we are also in talks with multiple Chinese manufacturers who can basically whom we can tie up and we can produce in that location for their customers as well.
- Rajesh:** So, this facility wherein we have a lot of advantage in terms of tax saving, etcetera, duties, etcetera, what would be the price difference or what would be the cost advantage there we would have versus a Chinese peer?
- Ravi Mishra:** See, in terms of cost advantage, it will be at par with what China would be doing because our raw material would still come in from China or other sources which is currently the same. But in terms it will not be incurring any cost in terms of domestic logistics and local taxation and other things. So, it will certainly have better cost advantage compared to domestic manufacturing.
- Because logistics cost is much cheaper, we are at the port. Being at the port saves lots on lots on logistics as well. And also, it will be speed of transformation basically. So, being at the port our export will be much faster and import will be faster as well for raw materials. So, overall, it is giving us lot of advantages in terms of local -- domestic manufacturing also.
- And also with the new budget, we can actually export to India as well at lower tax rates. So, anybody currently importing from China will have a disadvantage compared to us, because we will be able to give the same product for their imports, but at a better duty, import custom duties. So, even the domestic sales will also be basically -- domestic importers who are importing from China currently can import from us as well at a lower import duty rate.
- Rajesh:** Got it. This is very clear, sir. Sir, my second question is, how is the mobile phone segment progressed, and can you explain our penetration strategy in different markets that we are targeting?
- Ravi Mishra:** Mobile phone is doing well. We just started six-seven months back onto that. And we already have around 200 plus distributors in that. And we have reached around 13,000 plus touchpoints in terms of retail outlets and shops and all those things that are onboarded with us. So, that is doing good. We started with feature phone which is basically more into rural areas and Tier 2, Tier 3 cities. We are doing good there.
- And with the Philips brand, the acceptance is very good. And also, in terms of product feedback, we have got very positive feedback about the product that we have launched in. And now with



the smartphone, we are also trying to get more visibility in the market basically. And we will be targeting online sales as well.

So, that would soon happen. Once we have first one-two lots within the distributor network and consumed in that, then we will be going into online sales as well, which will give us more visibility in terms of actual users. So, currently we are targeting our network, we are improving on and increasing our network base, which will help us with that.

Rajesh: Got it. And how significant would be the export opportunity here in mobile phone?

Ravi Mishra: Currently with the agreement that we have with Philips, export is not there in that. We are targeting Indian market itself.

Rajesh: Okay, got it, sir. And sir, my third and last question is can you explain a bit granularly regarding how SFL would help us increase the margins?

Ravi Mishra: See, SFL is a retail business. And hearing aid as we mentioned in current scenario what we are doing with hearing aids is we are supplying to government segments and all those things where the margins are lower for us compared to other products. But the moment we get into retail, our sale prices will increase further.

So, just an example, if what I am selling currently for INR2,500, I will be able to sell it for around INR4,500-INR5,000. Numbers will not be as big as the numbers that we are selling into government segment right now, but whatever number comes in, the margins will be much better or maybe doubled or tripled actually from the current system.

Rajesh: Okay. So, those were my questions, sir. Congratulations on the result and I'll get back in the queue if I have any follow-up. Thank you.

Moderator: Thank you. The next question comes from Rohit with RMS Growth Fund. Please go ahead.

Rohit: Hi. I hope I'm audible.

Ravi Mishra: Yes, please.

Rohit: Yes. So, firstly congrats on a good set of numbers and achieving almost 60% year-on-year growth. I have three questions. I'll just start with a clarification. Since you mentioned, you can do better than your growth last year or at least as good, can we assume that you can do north of INR500 crores top line in FY27 given you closed at around INR300 crores this last year?

Ravi Mishra: If the math suggests so, we will be able to do that.

Rohit: Okay, great. So, just a couple of questions. I think you had made a -- you had published a few hires that you had made I think sometime in February. And one of them was a Mr. Captain Vivek, I think, who was going to look more after the government and defense segment. Can you tell us a little bit more about that? What prompts you guys to go after this segment? What is your strategy here and have you -- do you have any updates on this?

Ravi Mishra: So, up till last year, we did not actually have a sales team, which I have mentioned multiple times in my previous calls and meetings. So, we have started building our team actually, and which is more business focused. So, we have had very good hirings in December, January, and which we gave so we have now a strong team. Especially with Captain comes from a defense background, he was serving in army itself basically.

And after that he was into private sector, at more important positions, with the government liaisoning and other things. So, we are expecting good defense business coming in from him. He is already meeting up with the clients in defense basically, different defense sectors. So, he will be spearheading our defense business, especially with LEDs are being used in command centers basically, in even the outward post, they're using those command centers for monitoring everything at the borders. So, the defense has got good requirement for our LED products. So, he will be responsible for it.

Rohit: Understand. And do you have any business already from this segment? Or do you have any order wins or is there any pipeline that you have in this segment?

Ravi Mishra: So far if you see, we already have a client base which is very well well-versed with this basically. We have IMA in Military Academy as our customer, we have Naval Academy as our customer, we have Air Force as our customer, we have certain outpost in defense, that we have already done our implementation. In terms of DRDO is my customer -- DRDO is already utilizing our things, he's a customer. ISRO is a customer.

So, we are anyway very well already into that, but they are segmented numbers. So, now with Captain Vivek coming in, we will be more focusing on defense businesses. And we are expecting because we already have a pre-qualification and customer base and experience with that, without doing much sales into it actually. So, now with the outreach program, which is led by Captain Vivek, we are expecting good business from the defense.

Rohit: Understand, understand. And I think your -- I don't know if this was covered earlier -- but your H2 to H1 revenue was at an overall level was flattish. So, was there any impact, did you guys have any impact because of the war or was there any revenue deferment that caused you guys to close somewhat flattish H2 versus H1?

Ravi Mishra: There were certain logistic delays, of course, because there too -- because of war the logistics are anyway getting delayed. And of course, because we are into electronic industries, electronic supply chain has also been disturbed actually. So, yes, we did get delayed with certain revenue which could have been in March itself, but we had to book it in an April actually. So, there were delays in tunes of INR25 crores-INR30 crores which we could not basically achieve in our past year.

Rohit: Understand, understand. Okay, thanks. That's all I have.

Moderator: Thank you. The next question comes from Ankur Aggarwal with Motozak LLP. Please go ahead.



- Ankur Aggarwal:** Hi. My first question is, out of INR29 crores of PAT we did last year, how much money have we received that was outstanding? And which customers have, what kind of credit period that we give to them?
- Ravi Mishra:** Okay. So, I would not be able to answer exactly to these numbers. But yes, we majorly have government, corporate customers, and our partners which is basically system integrators when it comes to LED and all. And as I mentioned earlier in my last call also, so we are trying to move from being a direct to customer sales to partner driven sales. So, we have major sales through partners, which is happening. And that, that's where our major sales are happening now. So, we are only targeting to have large customer...
- Ankur Aggarwal:** Yes, sorry, sir. I just wanted to have a rough idea of, how much of our money is outstanding for more than maybe 60 days, 90 days or something like that. How much time it takes for us to receive our money on average?
- Ravi Mishra:** See, in general our terms in general our terms even with most of the corporate will be within 90 days basically. But what happens at times our LED business specifically is project-based business, which means we have to wait for site readiness and basically site approvals, all those things are required before we actually can do certain, even the supplies are happened, but the site is not ready. So, implementation will take place.
- And once those things are done, then we will be able to invoice the customer. So, even while it is a 90 days term with the customer, it might still get 120 days extension because the installation we were waiting for installation and things up even after supply. So, then the numbers would look different basically.
- Ankur Aggarwal:** So, sir, any bad debt as of now in the books?
- Ravi Mishra:** We have not booked any bad debt as of now in the books, but we have certain in tunes of some INR10 lakh, INR12 lakh so far which is due for a longer period, more than a year's time. But otherwise everything is beyond within six months of time for us. But INR10 lakhs, INR12 lakhs is what we are struggling with. So, we may try to we are trying to recover that.
- Ankur Aggarwal:** Got it, sir. Sir, and my second question is, like, you mentioned we sold around 4.5 lakh units in H2 mobile units. So, can you tell me, do you also track what is the sell-through data from those distributors or dealers? I mean, how many mobiles were actually activated?
- Ravi Mishra:** I can get that data and come back to you on that?
- Ankur Aggarwal:** All right, sir. Thank you, sir.
- Ravi Mishra:** Thank you.
- Moderator:** Thank you. Ladies and gentlemen, in the interest of time, we take the last question from Jaideep Ray, an Individual Investor. Please go ahead.
- Jaideep Ray:** Hello.



Ravi Mishra: Yes, hello. Go ahead, Jaideep.

Jaideep Ray: Good afternoon, sir. My question is what is the current monthly mobile sales, can you tell, sir?

Ravi Mishra: We have already reached now 60,000 plus, 60,000 or 70,000 plus units stable sales every month in the in terms of feature phones. Smartphone we have just added recently, so we will have some numbers for that in coming month to come. But for feature phone, 60,000 plus is very comfortable for us now. Of course, every month is not the same number, like Diwali will come so numbers will certainly triple or four times will happen. But average out if we say, 60,000 plus numbers are there.

Jaideep Ray: And you're in your presentation you are telling that your H2 mobile sales is around 4 lakh something, 4 lakh. It is H2 sales or total financial year sales?

Ravi Mishra: So, majorly see we started in September, August-September only for the sales. So, major sales in H2 only. But it is total financial year sales, yeah.

Jaideep Ray: Because in September till September only you are I think you sold around 20 crores to 25 crores of amount.

Ravi Mishra: Correct, that's right, yeah. Correct.

Jaideep Ray: Means same in second half also you sold same amount of mobile, you know?

Ravi Mishra: Yeah, I think in second half in total mobile sales, the number that I remember is around INR55 crores.

Jaideep Ray: INR55 crores, okay. And my second question is in last con-call you mentioned about some foreign LED partnership, you have done INR20 crores around sales to foreign customer, and told that two pipelines are underway. What is the, what is the current status and what is the future of this there, can you tell?

Ravi Mishra: So, basically in LED we have already added some OEM. OEM means we are talking about big brands for whom we are manufacturing our LED basically. So, we are supplying to big brands with their brand name. So, we are already doing that. Last year we have done OEM sales in tunes of around INR30 crores in total. And for LED, we have an export of around INR10 crores, INR12 crores in Vietnam and Singapore. So, we have done that. Plus we have had some export of hearing aids as well in Middle East and Middle East market. So, that kind of export so in tunes of INR23 crores we have done in exports last year.

Jaideep Ray: Okay. And what will be the amount can tell this year, what will be your target there?

Ravi Mishra: So, of course with the customer base increasing, we are expecting good growth in export sales also. So, we should be doing I should be easily achieving INR50 crores in export sales this year.

Jaideep Ray: Okay. Thank you. Thank you very much.

Ravi Mishra: Thank you.



Moderator: Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Rajendra Ravi Shankar Mishra for the closing remarks.

Ravi Mishra: Hi. Thank you everyone for joining in and being a part of OSEL team. And with your support, we have been actually able to achieve all these growth because without funds, without investor money, these growths while it is available but it is not possible. So, thank you all for everything for helping us with this growth. And for future also, we are very much positive about our growth and we will continue to have similar growth that we have been achieving in last few years for at least next few years.

And there will be continued growth in terms of development of new product, in terms of addition of JNPA manufacturing hub, which will add good numbers to our actual balance sheet. So, we will be working hard towards that. And we will be sharing progress with you in possibly in quarter we are targeting to give you quarterly reports if possible, maybe from the third quarter of this year. And to give more transparency and visibility to our shareholders. Thank you everyone.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of OSEL Devices Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.