

May 28, 2026

The National Stock Exchange of India Ltd  
Exchange Plaza, C-1, Block G  
Bandra – Kurla Complex  
Mumbai 400051

The Department of Corporate Services  
BSE Limited,  
P.J. Towers, Dalal Street  
Mumbai 400001

Scrip Symbol: SANSERA

Scrip Code: 543358

Dear Sir/ Madam

**Subject: Earnings Call Transcript**

Please find attached a copy of transcript of Earnings call held on May 21, 2026 on audited financial results of the Company for the quarter and year ended March 31, 2026.

The above transcript will also be made available on the website of our Company at [www.sansera.in](http://www.sansera.in).

Kindly take the same in your record.

Thanking you,

**for Sansera Engineering Limited**



**Rajesh Kumar Modi**  
**Company Secretary and Compliance Officer**  
**M.No. F5176**

Encls: a/a

**SANSERA ENGINEERING LIMITED**



“Sansera Engineering Limited  
Q4 FY '26 Earnings Conference Call”

May 21, 2026

“E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on May 21, 2026, will prevail. This conference 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 are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.”



**MANAGEMENT:**    **MR. B.R. PREETHAM – EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER – SANSERA ENGINEERING LIMITED**  
**MR. PRAVEEN CHAUHAN – HEAD CORPORATE STRATEGY -- SANSERA ENGINEERING LIMITED**  
**MR. HARI KRISHNAN – CHIEF EXECUTIVE OFFICER (ADS DIVISION) – SANSERA ENGINEERING LIMITED**  
**MR. RAHUL KALE– CHIEF EXECUTIVE OFFICER (AUTOMOTIVE DIVISION) – SANSERA ENGINEERING LIMITED**  
**MR. VIKAS GOEL– CHIEF FINANCIAL OFFICER - SANSERA ENGINEERING LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Sansera Engineering Limited for Q4 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. B.R. Preetham. Thank you, and over to you, sir.

**B.R. Preetham:** Thank you. Good morning, and welcome, everyone. On this call, I'm joined by our CFO, Mr. Vikas Goel; CEO of our ADS division, Mr. Hari Krishnan; CEO of Automotive division; Mr. Rahul Kale; Head of our Corporate Strategy; Mr. Praveen Chouhan; and our Investor Relations advisers, the SGA team. The results and the presentations have been uploaded on the stock exchange and company website. I hope with a limited time that you – everyone has had a chance to review them.

Before I walk you through the quarterly highlights, I would like to take a moment to reflect on the strong progress made during FY '26. This year has been a pivotal year for Sansera Engineering as we delivered record revenues, sustained healthy profitability, accelerated our non-auto diversification journey via ADS business, expanded our manufacturing footprint with the inauguration of the new facility at Pantnagar and entered into a strategic joint venture with Nichidai Corporation, Japan.

The fact that these achievements came amidst a challenging macro environment marked by global tariff uncertainties, export slowdowns and continued geopolitical volatility make them even more special. On this special occasion, I would like to thank entire team of Sansera, who has put in a lot of effort to achieve what we have done. I also would like to thank all our customers for continued confidence in Sansera.

Our FY '26 marked our highest ever annual performance with a top line of INR34,979 million and improved EBITDA and PAT margins, reflecting strong operational resilience and the successful delivery of our growth objectives. This also includes achievement of our ADS segment guidance with ADS revenue from product sales reaching INR3,155 million, representing an exceptional growth of 155% during the year. Full year revenue, including scrap sales for ADS would be around INR3,498 million.

Coming to Q4 FY '26, we continued our strong growth momentum and delivered our highest ever quarterly revenue of INR9,987 million. Throughout the year, we saw margins improve every quarter and Q4 margin showed a marked improvement, primarily led by the revenue mix and operating leverage.

We continue to see strong opportunities emerging across both automotive and nonautomotive segments. As domestic automotive OEMs continue to undertake large-scale capex and capacity expansion initiatives over the coming years, this creates strong opportunities for precision engineering players like us.

At the same time, the pace of EV adoption, particularly in 2-wheeler segment, continues to accelerate amid ongoing energy transition and geopolitical developments, creating long-term opportunities for our xEV and tech-agnostic offerings. In non-auto space, global aerospace order books remain at historically high levels, and India is increasingly being recognized as a strategic manufacturing and supply chain hub.

The Government of India's Semiconductor Mission 2.0 also strengthens our conviction in the semiconductor opportunity and aligns well with our ADS diversification strategy. AI has become the single biggest driver of the semiconductor up cycle, fundamentally changing both demand intensity and capital allocation across the global chip ecosystem.

Despite the strong structural tailwinds underpinning the business, the operating environment remains fluid with inflationary pressures across steel, aluminum, energy, tooling, consumables and freight, et cetera. We are proceeding towards FY '27 with caution.

Zooming in on our performance for the quarter, our core Auto ICE business delivered its highest ever quarterly revenue of INR6,426 million, registering a healthy Y-o-Y growth of 21.6%. The growth was primarily driven by strong momentum in the passenger vehicles and commercial vehicles with passenger vehicle being broad-based across OEMs and commercial vehicles, led by the strong growth in Swedish subsidiary.

At the same time, our Auto-Tech Agnostic and xEV segment also registered its highest ever quarterly revenue of INR1,217 million in Q4 FY '26, reflecting a healthy growth of 19.8%. Our Non-Auto business sustained its strong momentum, delivering a record revenues of INR1,736 million, registering a robust growth of 70.5% year-on-year. Within this segment, the ADS business more than doubled on a year-on-year basis.

As of March 2026, our peak annual revenues for new business stood at INR19.2 billion post our annual reset exercise. New order booking for the quarter remained soft, largely from international customers due to global uncertainty. If we look at the cumulative unexecuted lifetime order backlog for 5 years, especially for the ADS business, it stands at INR44.6 billion. Looking ahead, we remain confident of sustaining a similar growth trajectory in the coming year while maintaining healthy profitability.

Within the Auto business, FY '27 H1 is expected to be relatively stronger than the H2, aided by favorable base effect. To capitalize on emerging opportunities, we are scaling capacities while simultaneously enhancing our management bandwidth. Mr. Rahul Kale, who joined us a couple of years back as COO, has been elevated to CEO for the Automotive division. With his over 2 decades of extensive industry experience, he forged healthy relationship with Sansera ecosystem, and he is well positioned to take Sansera to its next phase of operational excellence.

Further, I would like to announce the appointment of three new Independent Directors on the Board as part of ongoing Board succession activities. The company has appointed Ms. Radhika Govind Rajan, Mr. Deepak Keshav Ghaisas and Mr. Venkataram Mamillapalle, subject to the approval of the shareholders. Notably, Mr. Muthuswami Lakshminarayan and Mrs. Revathy

Ashok will step down from the Board effective 27 July 2026 upon completion of their tenures. The company expresses its gratitude to the retiring directors for their strategic guidance and contribution towards the strengthening of the organizations over the years.

On the capex front, during FY '26, we incurred a capex of INR5,097 million, and we expect a similar level of investment in FY '27 as well. As a part of this outlay -- part of this outlay is directed towards expanding our ICE capabilities as our existing facilities are currently operating at max peak utilization. In addition, we are setting up new ADS facilities to support growing demand backed by our strong order book.

Further, we continue to invest towards adding capacities into forging and machining in our existing facilities of Plant 6 and Plant 12, respectively. With a healthy cash position of INR3,972 million, our balance sheet provides ample flexibility to support future expansion without significant dependence on leverage.

With this, now I would like to hand over the call to our CFO, Mr. Vikas Goel, who would walk through the financials. Vikas

**Vikas Goel:**

Thank you. Thank you, Preetham. Good morning, everyone. Let me take you through our consolidated financial performance for the fourth quarter of FY '26. Revenue from operations grew by 28% year-on-year to INR9,987 million or INR999 crores, to make it simple, marking it as our highest ever quarterly revenue achievement, with notably strong growth in the ADS and Sweden businesses during this period. Due to a positive product mix shift towards higher ADS revenue contribution, we witnessed margin improvement during the quarter, leading to a 306 basis points increase in the operating margins.

EBITDA for the quarter stood at INR1,929 million, registering a strong growth of 52% year-on-year, while the EBITDA margin has improved to 19.3% as compared to 16.3% in the fourth quarter of FY'25 . Other income for the quarter increased by 170% year-on-year to INR266 million, largely on account of INR54 million as interest income and INR172 million of forex gain.

The employee expenses for the quarter stood at INR1,298 million, with a year-on-year increase of 14%, reflecting an operating leverage effect on the revenue increase of 28% during this period. Other expenses came in at INR953 million, which grew by 28% year-on-year. The increase was driven by business growth, coupled with elevated logistics costs and certain other costs where we experienced higher inflation amid the evolving geopolitical landscape.

Finance costs for the quarter stood at INR112 million, registering a year-on-year increase of 17%, reflecting additional working capital borrowings to support the business growth. Profit after tax for the quarter stood at INR1,231 million, registering a strong year-on-year growth of 108%, with PAT margin expanding to 12.3% from 7.6% in the Q4 of FY '25.

Now talking about the full year performance. We recorded an annual revenue from operations of INR34,979 million in financial year '26, reflecting a year-on-year growth of 16% over INR30,168 million in FY '25. EBITDA for the period stood at INR6,321 million, registering a

year-on-year growth of 23%, while EBITDA margins improved to 18.1% from 17.1% in the previous year.

Other income for the year stood at INR596 million as against INR203 million last year, comprising largely of interest income of INR233 million and forex gain of INR311 million. Profit after tax for the period was INR3,269 million, registering a strong 51% year-on-year increase with margins improving from 7.2% to 9.3%.

Our operating cash flow net of tax continued to be healthy and stood at INR3,871 million, which is 11% of our operating revenues and 61% of our EBITDA for the year. We also see an improvement in our return ratios with ROCE at 18.0% as against 16.2% in FY '25 and ROE at 11.1% against 10.5% during last year.

With this, we would like to conclude our opening remarks and open the floor for question and answers. Thank you.

**Moderator:** The first question is from the line of Pankaj Tibrewal from IKIGAI Asset Managers.

**Pankaj Tibrewal:** Congratulations on a great set of numbers. And very heartening to see the trajectory change for the company. My question is that when you look in next 2, 3, 4 years, and we have set a very ambitious target for ourselves on ADS moving to INR1,300 crores, INR1,400 crores, overall company revenue moving up to INR8,000 crores, INR9,000 crores.

Can you give us a strategic road map on where we are because this is a year-end FY '27 -- '26 call. So next 2, 3, 4 years, how do you visualize the company, how the shape and size of the company will look like will be very, very helpful for us?

**B.R. Preetham:** Thank you, sir. We always are thankful to people who have been with us and have confidence. So you are one of the very early people who have been investing in Sansera, and thank you very much for your confidence. We, as a company, when we got listed, as you are aware, we said that while we stay committed to our growth trajectory in Auto ICE, we also said that as a company on the overall derisking strategy, we would like to move more aggressively towards non-auto, technology-agnostic and xEV components.

And we had set ourselves a target that we should be reaching closer to 40% of all xEV -- the Auto ICE to be restricted to about 60% of our business, which was almost 88% on a lower -- much lower revenue. So we said 60% has to come -- will come from auto ICE and another 40% will come from non-auto as well as tech-agnostic and xEV components.

While we have progressed in that journey, if you really see how we have -- I think the entire year-end, we have reached 30% on non-auto and xEV and the thing. And only if you look at the quarter end, it is 32%. So we are quite confident that we will be able to achieve whatever we have set forth. In fact, if you see the company has also secured a lot of additional business in ADS, this thing. And as we speak, our growth trajectory on our Non-Auto business, especially on ADS looks much stronger.

So every year, in fact, we have just -- we have just taken up the expansion of our new factory building. And as we speak -- we expect it -- to complete the construction by July, August. And as we speak, we have a visibility of the entire factory to be fully occupied already. So there is a lot of momentum shift towards India in terms of the capabilities that we have demonstrated over the years.

We, in this -- especially in the segment of ADS, as evident from our performance also and our strong order book, we have grown our capabilities both vertically as well as horizontally, which means that we have increased our component offering sizes. From earlier, it used to be limited to 1.5 meters was the maximum component size we could handle. Now we can handle up to 4 meters, 5-axis machining.

So this has enabled us to address much larger, much complicated components coming out of structural parts, coming out of engines and very, very complex geometrical part. So this has not only increased the confidence with customers, it has opened up a lot of different kinds of packages from coming out of the aerospace industry.

While the aerospace looks very strong, the semicon also has added to the growth trajectory in ADS. This was something that we started into mass production towards the end of second quarter coming into the third quarter. And this has really taken off. And then we see a lot of interest from multiple customers. We are working with one of them on various projects, and we see further -- deeper engagement with this customer as well as expanding into other customers.

So as we go towards the end of this decade, we already have a visibility of closer to, as you said, about INR8,000 crores, INR8,200 crores on the order book front for the execution. We still have a couple of years where we can fulfill the order book and take the company towards INR10,000 crores. So that is -- the time frame could be depending upon the macro condition, it could vary by a year or 2, but then our order book visibility is quite clear.

And here also, we will -- while we had set ourselves target of 20% non-automotive, 20% xEV and tech agnostic, we may have some change in this mix of non-automotive could go up higher than 20%. But overall, the theme remains strong. And auto also, we see a lot of opportunity to grow.

We have added Nichidai joint venture where we want to address other precision forged and machined components, which we are not into like driveline and steering systems, and these are precision forged components and forged, primarily precision forged with a reasonable amount of machining. So with all these things, we are well poised to achieve whatever objectives that we are setting. Thank you very much.

**Pankaj Tibrewal:**

And though on the numbers, it looks like INR8,000 crores, INR9,000 crores from the current levels, but I'm sure management can achieve it.

**Moderator:**

The next question is from the line of Arjun Khanna from Kotak Mutual Fund.

**Arjun Khanna:** Congratulations for the great set of numbers. My first query was on the ADS piece. So we have given a guidance for next year, which we retained roughly INR550 crores to INR600 crores. In terms of -- the question was in terms of utilization. We have stated that once we actually build out the full facility, margin should move closer to 25%, 30%. So would that be the right understanding that since the size of this facility is maybe INR600 crores and we'll be running at peak, margins should head towards those levels?

**B.R. Preetham:** Yes. I think I'll first take the question, then maybe Hari has to add. So yes, Arjun, this -- primarily the facility which we are operating is relatively full now. And with the execution of this year's current order book, which should be around INR600 crores plus/minus, the thing.

So we should be on a reasonably good utilization. And with the additional building getting added this year, which will also start contributing revenue towards the third and fourth quarter of this year slowly because there are a lot of FAIs that have to be delivered and that will get into production. I think it is -- the margin profile should move towards the number that you indicated.

**Arjun Khanna:** Sure. In terms of capex, so we have indicated that further capex of INR250 crores and we have given an asset turn of 2x. So potentially, that takes our turnover to maybe INR1,000 crores, INR1,100 crores. Given that we have a sizable order book, would it be a fair assumption we should see further capex announcements on the ADS space?

**B.R. Preetham:** Hari will answer the question.

**Hari Krishnan:** It is very clear right now, the asset turn ratio in the ADS space is very clearly 1:2. And we have given an indication that we would be incurring another INR250 crores of capex, more or less to clear the current order backlog of INR4,500 crores.

But as and when -- this number is just a visibility as on date by 2031. It is not -- it is for sure, and we are confident that this number -- by 2031, the number we are going to be doing or targeting or achieving is going to be much, much higher. So the capex will increase as and when we have additional opportunities. But as on date, to reach the number what we have published as a confirmed order backlog, we see another INR250 crores of capex.

**B.R. Preetham:** To add to what Hari said, with this -- we are looking at full facility utilization and our special process also. So yesterday, in fact, at the end of the Board meeting, we have taken an approval to acquire about 10 acres of land very near to the international airport, which is closer to the aerospace park.

The way we see the momentum building up in ADS, I'm very, very -- pretty sure that we will run out of space, and this thing. So we have requested, the Board has consented the purchase of the land. So we expect that the accelerated growth will happen in this segment. So that is the momentum and the indications that are coming from both aerospace and semicon.

**Arjun Khanna:** Perfect. Sir, I know we don't break up this number in terms of individual components. But in the press release, we've seemingly indicated semiconductor is doing exceptionally well. In terms of our expectations, say, for this year of INR315 crores, have all segments contributed as

what we had anticipated or maybe semiconductor has done better and aerospace may just pick up in the quarters to come?

**Hari Krishnan:** No, I would say in whatever we have done in the year gone by, every sector or every division has done in line with expectation. But semiconductor being the outperformer because the expectation was also 63.3% was the growth in the aerospace business. In semicon business, obviously, we grew from almost zero base.

So that has resulted in a huge surge. And even our defense business is up significantly from a small base. So I would say in line with expectations, all the 3 verticals have performed with semicon being the major portion of the growth driver because that was an opportunity which came by and we capitalized to the fullest.

**Arjun Khanna:** Perfect. Just final question is on our core business, on the non-auto side to the U.S., essentially, we were impacted by tariffs. Now that tariff rates are substantially lower, we have seen good growth this quarter. Is there any onetime element to this in terms of inventory refilling? Or do you believe this is the run rate one should assume going forward?

**B.R. Preetham:** No, there is no onetime refilling that has happened. In fact, we would see that because a lot of our -- some of our clients -- U.S.-based clients had a rough -- especially on the EV segment had a rough year. So we would see that going forward, I think we will have a better offtake from the exports. Things have started looking more positive there.

Of course, the order inflows are yet to -- we are yet to see the conversions. There are a lot of discussions that are going on, but decision is still not been coming. So we expect that business-wise, there will be good momentum in the exports this year, but order inflows could take 1 or 2 more quarters to see the conversion that is happening.

**Arjun Khanna:** And our plant in the U.S., has there been any further movement in thought process?

**Hari Krishnan:** Yes, there has been movement in the sense that discussions have restarted with a little more energy. We were always very keen. But now they have seen an indication at 10% tariff. Buyers are excited for sure, but what they are waiting for is a little more period of stability that this tariff will not again swing up and down. But the answer is we are seeing some positive momentum in our discussions on the U.S. plant.

**Moderator:** The next question is from the line of Nitin Arora from Axis Mutual Fund.

**Nitin Arora:** Just a first question on -- you articulated on the EV surge, what you are seeing. Can you talk about a little because you are a supplier to -- on the 2-wheeler side, on the EV specific player as well as doing both ICE and EV. And globally, though the fastest-growing company slowed down, how you're getting the inquiry pipeline, both on the export side on the EV and on the domestic side? That's my first question.

**B.R. Preetham:** Yes. I think on the domestic 2-wheeler front, we see a lot of traction both in terms of our traditional OEMs who have been strongly growing in the EV segment as well as the industry-leading exclusive 2-wheeler OEM who have also expanded into their second facility and then

they are growing strongly. So we see a momentum to continue this year on the 2-wheeler EV offtake improvement. We are also quite excited to see the hybrids working well where we have a lot of offering on the hybrid components into the system.

While we have been working very closely with the global OEM company, North American based, on a few of the very prestigious projects so that this year, a lot of that has been going to put into production. Apart from that, we have also got some traction into the energy storage solution where we will see the mass production starting this year into that segment for the same customer. So overall, for us, the EV journey looks quite strong in this year.

**Nitin Arora:**

And just to ask my second question, one on that energy storage side, which the same customer is pretty full in terms of his orders, what he's talking about in his calls. How big is -- this can become for you, energy storage, I mean, in the next 1, 2 years?

**B.R. Preetham:**

Currently, for this program, it is anywhere between INR80 crores to INR100 crores is the annual revenue that we expect out of this program that has come to us. These are two components which will go. But we have a lot of other programs which we are working on for this same segment. And I feel that once we productionize this, there are other opportunities to look other than the only customer that we have been working on. We just wanted to explore more possibilities once this is established.

But one thing that we also are careful of, and these are large volume businesses, in steel currently, but then we have some very exciting, very, very technology-intensive product in aluminum as well.

So in our opinion, what is important is to make sure that we have our planning well distributed for the forging requirement because we are also either a majority or a single source for a lot of our auto OEMs, and the growth trajectory has been quite strong. And we feel that going forward, forging could be a very, very -- there could be a shortage as we see because last year, we have produced close to 120 million components, that is almost 1 crore component per month.

And we are already seeing that this needs to be 40% increase has to happen in the next couple of years. So we have already on that program. So while we are very excited about various other opportunities that are coming our way, we are also mindful of the fact that we need to focus on our -- expansion on our forging division, which also requires a long lead time for any capex approval. So this is going to be one of the key points as to how much more we can take in each segment.

**Nitin Arora:**

And just lastly, on the complexity of the aerospace side. Can you share some which component because we have seen your components started with very complexity. But on the aerospace specifically, as the complexity or the sizing has increased like the way you're talking about 3 meters, 4 meters, but any specific component where you see scale up is happening pretty decent?

**Hari Krishnan:**

This is Hari. I think what we have done is, as we said a little earlier, we have increased our offering both horizontally as far as size is concerned and complexity is concerned. We are now

winning business. We started off, as you know, with cargoes and lighting, then we're making parts for landing gear, engine casing, structural parts. And now we got some very, very complex parts from Boeing and where we have made some tremendous headway in a very limited period by getting ourselves approved in record time.

And what is happening in -- and also for a large engine manufacturer started engaging with us, that is one of the latest addition and a very prestigious customer to our customer list. We have that customer a couple of months back and working on a very, very complex package for engine parts, for the engine blisk and other parts.

And the real driver here is coming from the increased production of aircraft at both Boeing and Airbus. And in their largest selling platforms like the A350 and the 737, we are increasing our wallet share and our presence in many, many more components.

**Nitin Arora:** But the engine blisk, what we have seen in gas turbine, this is the same thing you are seeing in the aerospace now?

**Hari Krishnan:** Yes.

**Nitin Arora:** Yes. Okay. And does that -- the whole part is coming to you? And -- I mean, how big this can become for you? I mean I'm just asking this because India, we have not seen too many players. People are doing for the gas turbine. We have not seen too many for the aerospace so far, you can correct me on that. If you can throw some light on that aspect.

**Hari Krishnan:** Yes. See, the blisk, you're right, probably is not done by anybody in India at this point of time. We were given an opportunity to demonstrate the capability in a small way by offering to machine a portion of the blisk and convince the manufacturer of a capability, which was -- they were really surprised to see what we delivered first time right. And now the opportunity is already been awarded as far as machining of the full blisk is concerned.

The numbers and the potential size of the business is under study and evaluation. But right now, the focus is to deliver the fully machined blisk in about 2 months' time. And I'm very, very confident that is going to open up many, many doors, not in the blisk area alone but once the word goes around that we are in the blisk segment, you know what I mean when I say that it will open a lot many opportunities in the very complex machining space.

**B.R. Preetham:** In the rotating section.

**Hari Krishnan:** In the rotating section of the engine, yes.

**Nitin Arora:** That's why I was asking that.

**B.R. Preetham:** The thing I would also like to add that there is cold chamber and hot chamber. So we are working on both cold and hot chamber. We are working on cold chamber, which is with stainless steel, and with hot chamber, it is inconel. It is a very, very complex machining with almost 600 diameter, the thing. Our Chief Engineer and CMD, Sekhar Vasan is totally involved in this project. He is the one who's...

**Hari Krishnan:** Quite honestly, our conversion from an inquiry to a confirmed order is 100% due to his involvement and what he brought to the table in record time as far as precision engineering capabilities.

**Nitin Arora:** Great to hear that. Just lastly, on the semiconductor, sorry if I'm repeating this question. At this time, I don't want to name a client here, but what we are seeing, and I just want to know from your thought process is they're just blocking the capacities in a big way because there are some other suppliers to your semiconductor clients as well who are listed. How is the situation with you, especially on the semiconductor?

And can you go to the other one as well, the door opening with the other bigger -- because there are two only who are the largest. Just one on that. Second, how is the content moving for you? Because earlier we have seen in the semicon, the EMS content is pretty high. How is the content moving to you when you have already executed things for them? These two questions.

**Hari Krishnan:** Okay. I'll take the first point first, which is, yes, they are blocking machining capacities. When I would say blocking, it is -- we are also very, very engaged with them to supply more in the sense that we are seeing a huge volume surge in the very critical components, which we have already developed, in line with the global trend and the market situation, growth in AI, data centers and the requirement for chips.

Now we are not bound by any exclusivity, which is going to prevent us from attempting a relationship with other players in the market. As we talk, we are engaging with the other big player, and we are making very good progress as far as conversion is concerned.

And on the second thing, when you talk about content, content is very interesting. We are seeing the content value really go up. Margins are super exciting in this space. It's all execution because the only challenge we face today in the semicon space is availability of the mother machines where the lead time is a big deterrent. The inability for us to really move fast is sometimes controlled by the machine deliveries, which are sometimes 7, 8, 9 months long.

**B.R. Preetham:** But fortunately, for us, we have had a very, very strong relationship and a good forecast also has enabled us to make sure that we build a pipeline of orders with the thing. So we get some priority deliveries as well with DMG Mori, Yamazaki and Makino and likes. So we have been able to accelerate it much faster than the expectation actually.

**Moderator:** The next question is from the line of Suraj Malu from Catamaran.

**Suraj Malu:** Sir, I had a couple of questions. One is on the automotive side. Is it fair to assume that like the American customers like Ford, Stellantis, GM for whom we are planning to supply these connecting rods, can that be of the potential of like 1 lakh per month for each of these customers?

**B.R. Preetham:** I -- it's grossly understated there's -- opportunity sizes would be to the tune of 2 million, 3 million connecting rods per each of them for their couple of programs per year. So definitely, the opportunity sizes are quite large.

**Suraj Malu:** Understood. And sir, if you look at the domestic 2-wheeler segment, like this quarter, 4Q, Bajaj and TVS, they grew like 28% and 20%, whereas for us, motorcycles and scooters were just 10% and 14%. So can you help understand like where the disconnect in these numbers are?

**B.R. Preetham:** Basically, our representation does not represent the numbers. It is the revenue that we represent. And there, you would look at the number of vehicles. I don't think it is correct because see, if I look at what we have grown in Q4 in Bajaj, on a year-on-year basis, it is 29.9%. TVS, we have grown by 13.3%, HMSI -- yes. So all this, we have been growing much healthier compared to the market.

But of course, it is not a direct correlation to the number of vehicles number because we represent ourselves in revenue and customers represent in terms of number of vehicles. So -- but I can very safely tell you that with all our major customers, we are working on programs to increase our share of business to increase the number of component offerings and also look at opportunities to take the outsourcing opportunities that are available with a few of the key customers.

**Hari Krishnan:** And we are making very good progress in these discussions.

**B.R. Preetham:** In fact, we have recently -- as you know that we have commissioned a second plant in Pantnagar. It is totally focused on 2-wheeler expansion. And we have taken up a newer place in now Manesar. We have just signed up. It is on a lease, long-term lease. That we want to also focus on both passenger vehicle and 2-wheeler components. So for us, this segment is a strong growth driver going forward as well.

**Suraj Malu:** Sir, in domestic MHCV, as you had mentioned last time, we are not present. But increasingly, we are getting some orders from one model of, let's say, Tata Motors or maybe in future with Ashok Leyland. So based on all the offerings that we have, sir, what can be our content per vehicle in MHCV?

**B.R. Preetham:** See, look, the automotive landscape itself is changing. Today, we are looking at from a pure ICE vehicle. There are a lot of people moving towards hybrids and then flex fuel engines, then I think we also are looking at an opportunity to work on other offerings that are now taking.

So for us, content per vehicle, because we have offerings on only ICE vehicles, we are working on hybrid platform, depending upon which platform that we are working on, the content per vehicle will vary. So -- and now with newer Nichidai programs that are going to get added on to our core products, I think it is a very changing scenario. So I would say anywhere between INR5,000 to INR10,000 per vehicle is what we generally target per vehicle. So that is what we look at.

**Suraj Malu:** Even on the commercial vehicles or that can be higher?

**B.R. Preetham:** No. Basically, commercial vehicles, we are seeing domestic commercial vehicles, we are only working with Daimler and now Volvo Eicher. So for us, those two are the major in domestic vehicles. We are yet to penetrate the other domestic commercial vehicle OEMs. As I said in

my previous question also, we are focused on distributing our resources into reasonably well margin, ROCE businesses.

So that is where our focus is on. So currently, we are looking at passenger vehicles exports, passenger vehicle domestic, 2-wheeler exports and ADS as a prime revenue. We are also focused on getting stronger on agriculture. So these are the areas where we are working on.

**Moderator:** The next question is from the line of Mukesh Saraf from Avendus Spark.

**Mukesh Saraf:** Congratulations on a good set of numbers. Just focusing on the domestic ICE business, especially on the 2-wheeler side. I think last time you had mentioned about the outsourcing opportunity in the sense, OEMs, which are currently in-sourcing, especially on the crankshaft assembly, etcetera.

Now that your plant expansion is done, the Pantnagar 16 plant and you're looking at Pantnagar 6 expansion also, are we kind of at a stage where we can say that FY '27, we will see benefits of this outsourcing opportunity and probability thereof adding, say, new large OEMs, which we are not working with right now in 2-wheelers? Could you give some sense there?

**Hari Krishnan:** Absolutely, absolutely. We believe and we are confident in FY '27, the conversion will happen and there will be activity on line installation and probably even production starting. Discussions are on. Discussions are progressing very well, are in the very, very final stages. Details are being worked out as we speak. And the answer to your question is, yes, in FY '27, we will see in Pantnagar and Manesar, we're setting up additional capacities for crankshafts for OEMs with whom today we have a relationship and also with whom we don't have a relationship. We'll see both happening this year.

**Rahul Kale:** But with the same OEM for the expansion, what Hari mentioned is like Pantnagar and Manesar, but we are also expanding our Pune facility this year. At the same time, what we are trying to do for all our new lines with what our recent experience of manpower availability and crunch in the market from last year, we have already started to do almost all the lines whatever coming in as new lines are fully automated to the extent that if we really compare today's manning ratio to new lines, we are running with only 20% of manning and 80% of automation or robotic lines, number one.

Number two. Having said this, and with the growth what we are talking about, our machine building plant is heavily -- the order book, in-house machine building plant is like booked for almost next 1 year. And with all, we are also searching and work is in progress for some strategic partner for automation. We do have our own automation team, but we feel the kind of expansions what we are talking about, our own pace or speed for doing automation won't be enough. So that also work is under progress.

**Mukesh Saraf:** Great. Good to hear that. And secondly, on the Nichidai partnership, any progress made there? And maybe if you could give some sense on the opportunity size, be it -- is there a possibility of captive requirement for Nichidai itself, which we can supply from the JV as well as external customers. So some sense there would help.

- Hari Krishnan:** Yes. Let me just try to briefly cover the points what you raised. There is no captive requirement from Nichidai because Nichidai is a technology provider, point number one. Point number two, the progress what we have made is the introduction to the customers is happening or happened in many cases about this joint venture. RFQs have been generated. Discussions are going on. We have responded. We hope to start converting very soon. As we speak, the facility is getting ready and machinery installation should commence September time frame. And then the normal process will follow of the sample execution and production.
- B.R. Preetham:** Mukesh, very important thing is that while we have customers who are interested, the technology is definitely -- Nichidai technology is well known in the automotive segment. But it is -- it will be -- I think the acceleration will happen once we have the facility in place. So I think that is very key importance that we have also been only meeting the customers and then taking them through what we want to do. While they are all quite excited, I think everything depends on how fast we can put the facility in place. So we are working on getting this up and running towards the third quarter of this financial year.
- Mukesh Saraf:** Just about that, I mean, what's the kind of capex we are penciling in this JV?
- B.R. Preetham:** This year, we have kept about 50 cr as our contribution, the thing towards the JV. That would - - we have already procured one forging press, which has come into India currently on part of that -- as a part of that capex. So we expect that this year, Sansera, from our side, we may have to invest about INR50 crores. So that has already been as part of our overall group capex.
- Moderator:** The next question is from the line of Siddhartha Bera from Nomura.
- Siddhartha Bera:** Congrats on a great set of numbers. Sir, first question is on the PV business. I mean, after a long time, we have seen a very strong growth coming back here. And you talked about a good order or revenue pickup in the European markets as well. So some color there, how sustainable it is, how you are seeing the growth coming and -- because last year, we have a very low base as well. Where do you see the PV segment going? And any more customer additions are you expecting in this geography?
- B.R. Preetham:** Yes, Siddhartha. See, the programs that were actually stalled both in North America as well as Europe have started picking up, and we also have got some indication that there could be some more upsurge in the requirement. So we are working closely with -- see, everything is very fluid as of now because of the ongoing war situation, the price escalations that are happening, the fuel prices have significantly gone up. I don't know how sustainable the demand will be for -- across the geographies.
- But as of now, currently, we see a good steady demand flow from all our overseas clients because all the new programs have started, and we are quite hopeful that this will sustain. Even in domestic OEMs, our largest, Maruti, we see a lot of increased upsurge in the requirements that have been indicated. In fact, we are going to expand our lines for both Tata Motors as well as Maruti. We are hopeful that we will also be able to add a couple of more OEMs this year into that. So we are working towards that. So with that, PV should be a very continued momentum into this year as well.

**Siddhartha Bera:** Understood, sir. Sir, second question is on the ADS. So we have talked about a very strong traction on the revenues. And with this, I think we will probably continue seeing a very strong increase in the percentage share of this segment as well, maybe from 10% this year to 15%, 20% in the next 2 years.

So I just wanted to understand how does it impact our working capital because we did see some increase this year. So how is the requirement for some of these businesses? And how do you see that changing for us at a company level in the next few years?

**Vikas Goel:** Yes, Vikas here. So Siddhartha, valid question. And we have actually -- if we break up our business into 2 parts, one is the Auto segment and one is the ADS segment. In the Auto segment, we've actually improved our working capital ratios this year because of the ongoing initiatives that we've had, both on inventory as well as on receivables side. But ADS going through a major growth momentum as of now, partly because of volume increase and partly because of the new segment getting added. So a new set of working capital has been built up during this year.

So because of that, you would have noticed the pressure on the operating cash during the current year. We are down from 12% last year to 11% this year. We believe that this is the initial capital buildup in this segment. As we move forward, as the flow becomes more normal, we will have opportunities to further improve or optimize the overall working capital.

**Hari Krishnan:** Siddhartha, just one more point to add here to what Vikas said. There are opportunities in areas where -- especially in the Semicon space, where the entire surge has happened probably in the working capital cycle. The customers are working to localize a few component -- raw material sources, and that is underway. And the moment that happens and we are directed to buy from that source, there will be a nice significant impact on the reduction. Holding periods will come down significantly. Lead times will shrink, and that will help a lot.

**Siddhartha Bera:** Okay. Great, sir. Sir, last question is on the labor side. We did see a lot of inflation coming up in some parts of the country. How do you see this affecting you? Do we expect any meaningful cost inflation there as well going ahead or not much from our side?

**B.R. Preetham:** As Rahul explained, we see a lot of pressure on availability of both skilled, semi-skilled labor across geography, across the different things. So we are trying to increase our diversity. So one of our second plant in Pantnagar is intended to be 100% women employed. Today, we have about 65%, 70% women employees there. ADS, we have increased significantly the number of women employees. While we are working towards more and more automation, I think this is going to be one critical component where the availability and the attrition of the labor workforce is going to be one of the key challenges in this year for our execution efficiency.

So we are working on various -- see, we have always been above minimum wages. So that pressure for us was not there. But then for us, what is important is that we deskill the operations and do as much automation as possible. While Rahul and team are working on improved efficiency there, what we are doing in aerospace, where we have opportunity for multi-manning, we have introduced kind of different skill-based incentive system to handle

multiple missions and multiple components. This should ease pressure on the things. So there are various schemes through which we are trying to motivate people to this thing. But labor definitely is going to be a challenge.

**Moderator:** The next question is from the line of Nishant from Premji Invest.

**Nishant:** My compliments to you and the entire team, Mr. Preetham, a fantastic set of numbers and performance here. My question was actually on one other company that you have in your fold, MMRFIC, which is obviously very close to your and Mr. Vasani, in fact. Just wanted to spend a minute to understand, is there a bamboo shoot waiting to happen in this company? How has been the performance there? You've obviously been sort of taking a stake higher there in this franchisee as well. Just wanted what are your thoughts on this particular entity.

**B.R. Preetham:** Thank you, Nishant. This has definitely been one of the strategic investments, which is also very, very -- our Chairman has been quite interested in because of the deep technology that has been -- the thing is also very important that we are working with the Make in India program very, very deeply in this company. We -- from the time that we were -- we have invested in this company, we are very clear on the path that this company is going to take. It is definitely a long haul. It is not going to be a short-term thing because there are multiple agencies, government agencies, aggregators that are involved in this business.

But as a company, we have got a lot of confidence in the abilities of the promoters and the way that the products are going on. With that confidence, we have already increased our stake. I think by end of -- with the conversion of CCPS for the year ending FY '26, we should be upward of 45%. I don't know the exact percentage, will come to know once the balance sheets are finalized, but I'm sure that it would be between 45% and 50%.

So with that, we also see a lot of opportunity here. The opportunity sizes are large, the thing. As you have rightly said, there is a lot of expectation and also time and effort and energy is being put into this business. We are quite confident on the long-term proposal -- long-term opportunity that this business has got. I can't talk a lot on the products that we are working on because it is quite sensitive in nature. So -- but we believe in the story. We have continued to invest into this. We are working with them as to all the support that is required, we are extending that.

**Moderator:** Ladies and gentlemen, we'll take that as the last question of the day. And I would now like to hand the conference over to the management for closing comments.

**B.R. Preetham:** Yes. Thank you very much, all of you for this opportunity to interact with all of you and present our story. With this, I would like to conclude the call. I know that we have had a little break in the call, so we lost some time. So if you have any further queries, please contact SGA, our Investor Relationship advisers or any of us directly. And we will look forward to meet you and engage with you at appropriate time. Thank you very much, everyone, for joining us today on this earnings call. Thank you.

**Vikas Goel:** Thank you.

**Hari Krishnan:** Thank you.

**Moderator:** Thank you. On behalf of Sansera Engineering Limited, that concludes this conference. Thank you for joining us, and you may disconnect your lines.