

Date: February 04, 2024

To,
The Manager,
Listing Compliance Department,
The National Stock Exchange of India Limited
Exchange Plaza, 5 Floor, Plot C/1 Block,
Bandra Kurla Complex, Bandra (E),
Mumbai (MH) - 400051 IN.

NSE Symbol: SPECTRUM
ISIN: INE01EO01010

Sub: Press Release regarding incorporation of new Company as Wholly Owned Subsidiary Company of Spectrum Electrical Industries Ltd.

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform you about the approval of the proposal for incorporation of new Wholly Owned Subsidiary Company for the purpose of diversifying the business operations of the Company in the medical devices manufacturing industry.

Main Object of the proposed company –

Medical Devices Design & Manufacturing - primary objects of the proposed wholly owned subsidiary company includes but not limited to develop, design and manufacturing of medical devices. The Company will work diligently to create products that meet the highest quality standards, adhere to regulatory requirements, and address specific needs within various medical specialties.

Vision -

To become a global sustainable and reputed organization to provide affordable access to quality healthcare.

Mission -

To accelerate industrialization of medical equipments & components with rapid technology innovation.

Rational for the decision taken by the management of the Company for incorporating the new Wholly Owned Subsidiary Company

The Company has undertaken the strategic decision after the research of Global and Indian medical devices market –

- The size of the Indian medical devices market is presently estimated at \$11 Bn, and is expected to grow to \$50 Bn by 2028 and the sector has been growing steadily at a CAGR of 15% over the last 3 years.
- The global medical devices market accounted for \$492 Bn in 2022 and is projected to reach \$656 Bn by 2032, exhibiting a CAGR of 3.0% in the forecast period (2023-2032) Economizer).

- India is preferred manufacturing hub for catering to the need of India Sub-continent market, South East Asia market and African market as these markets are typically a Value Segment Market (Minimalist and Economizer).
- Even Premium Segment Products (Standardizer and Leader) can be shipped to all 17 Medical Devices Global Markets – Local for Global Markets.
- India is treated as one of the best hub for end-to-end solution for Medical Devices: Factory - Field Future due to huge availability of Medical Devices SMEs and proven suppliers.
- India is the best place for “Design Anywhere – Source Anywhere - Build Anywhere” - a strategy for Medical Devices for global MNCs for “faster time to market”.
- India has a proven sourcing base for last several years for more than 80% of BOM required for most of the medical devices including VAVE and new technology development in conjunction with suppliers for “faster time to market”.
- India provides at least 25% (conservative) savings in Landed BOM and Industrialization together in comparison to USA, Japan, Europe.
- Few of the matured Indian Suppliers are proven player for System OEM mode.

Medical devices are a sunrise sector of the Indian economy. The size of the Indian medical devices market is estimated at USD 11 Billion (Rs.90,000 Cr) in 2021, is expected to grow to USD 50 Billion by 2030 with CAGR of 16.4 %. The export of medical devices sector has been growing at a CAGR of 9.37 % over the last 5 years. The Indian medical device market share in the global market is estimated to be 1.65%.

India is the 4th largest Asian medical devices market after Japan, China, and South Korea and among the top 20 global medical devices markets in the world. Currently, India is exporting ventilators, PPEs, diagnostic kits, sanitizers and surgical gloves (2/3 ply) etc.

Source - Report published by NITI Aayog in 2021 on “Investment Opportunities in India’s Healthcare Sector”, EEPIC, Ministry of Commerce and Report published by KIHT on “GLOBEXIM -2021”

Benefits to the Company -

- Gain entry and market share of medical devices industry:** Company will gain entry and share of this market.
- Balancing market fluctuation risks:** Diversification across industries, equips Company to minimize negative financial impact of the market and seasonal fluctuations balancing risks.
- Expedite growth and increase overall profitability:** Manufacturing of medical devices is a hyper growth and high profitability industry. As the business of the Subsidiary Company grows, it will positively impact Company’s financials of growth and profitability.
- Access to New Customers:** Entering into the new market would expand Spectrum’s customer base by global client relationships.
- Capitalizing on Emerge Trends:** Different markets have different trends, regulations, and adoption rates. Entering into a new market enables the company to capitalize on new opportunities and trends.
- Customer-Centric Approach:** The Subsidiary Company will adopt a customer-centric approach, tailoring its products and services to meet the evolving needs of a diverse customer base in the Medical Devices Manufacturing Industry. This will enhance customer satisfaction making it beneficial to the Company.

- g) **Strategic Partners:** The diversification effort opens doors to strategic partnerships and collaborations with other industry players. By forming alliances that complement our strengths, we seek to enhance our competitive advantage, access new resources, and accelerate our overall growth. The Company and Subsidiary Company jointly will be equipped to provide strategic services.
- h) **Innovation and Adaptability:** The diversification strategy is rooted in the pursuit of innovation and adaptability. The new proposed company will focus on new product design and manufacturing into the medical devices market. This is for your information and record.

Thanking You,

For and on behalf of Spectrum Electrical Industries Limited.

Rahul Lavane

Company Secretary and Compliance Officer

Bari Wada, Main Road, Yawal,

Yawal - 425301, Maharashtra, India.

Membership. No.: A57240