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Dear Sir/Madam,

Sub: Investors Q4 FY 26 Earning Call Transcript.

Transcript of the Investors Earning call held on Tuesday, May 26, 2026, is enclosed herewith.

Same is also available on the website of the Company at www.suprajit.com.

Kindly take the aforesaid information on record in compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

This is for your information & record.

Thanking you

Yours faithfully

For Suprajit Engineering Limited,

Medappa Gowda J
CFO & Company Secretary

Encl: as above



“Suprajit Engineering Limited Q4 FY’26 Earnings Conference Call”

May 26, 2026



MANAGEMENT: **MR. AJITH KUMAR RAI – FOUNDER & CHAIRMAN,
MR. N.S. MOHAN – MANAGING DIRECTOR & GROUP
CHIEF EXECUTIVE OFFICER, SUPRAJIT ENGINEERING
LIMITED
MR. AKHILESH RAI – DIRECTOR & CHIEF STRATEGY
OFFICER, SUPRAJIT ENGINEERING LIMITED
MR. MEDAPPA GOWDA J – CHIEF FINANCIAL OFFICER
& COMPANY SECRETARY, SUPRAJIT ENGINEERING
LIMITED**

MODERATOR: **MR. MUMUKSH MANDLESHA – ANAND RATHI SHARE
& STOCK BROKERS**

Moderator: Ladies and gentlemen good day and welcome to the Suprajit Engineering Q4 FY26 Conference Call hosted by Anand Rathi Share and Stock Brokers.

As a reminder all participants' 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 '*' then '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mumuksh Mandlesha from Anand Rathi Share and Stock Brokers. Thank you and over to you sir.

Mumuksh Mandlesha: Thanks Alaric. So, on behalf of Anand Rathi Shares and Stock Brokers, I welcome all you to Suprajit Engineering Q4 FY26 Result Conference Call.

I thank the Management for taking time out for this call. From the Management side we have Mr. Ajith Kumar Rai – the Founder and Chairman, Mr. N.S. Mohan – MD and Group CEO, Mr. Akhilesh Rai – Director and Chief Strategy Officer and Mr. Medappa Gowda J – CFO and Company Secretary.

Request Ajith sir and team to give an “Introduction Review” about the Results and then we can follow up with the Q&A session. Over to you sir.

Ajith Kumar Rai: Thank you Mumuksh and thank you Anand Rathi for hosting this Q4 Con-Call. Good morning to you all and welcome to our quarterly and full year call for this 4th Quarter. We have already uploaded the Press Release and the Results, so I hope you guys had time to go through that.

We will go through some of the highlights. All our team will talk a bit. It will be a little longer conversation as we have also done some projections or plans for the coming year and change of nomenclature of our group divisions, etc., but we will give sufficient time for question and answer.

From my point, before I hand over to our team, it is one of course on the dividend. We have declared a higher dividend overall for the year, INR 3.50 per share against last year's INR 3.00.

Again, on automotive growth of about 10-11%, our growth has been slightly lower. This is largely because last year we also had to give some price reductions to our customers.

But globally, our Controls divisions grow nicely despite the global markets did not grow, so that is the positive side of it. Of course, we are currently facing the Middle East geopolitical headwind, which we hope will be resolved in the near future so that businesses do not get disrupted.

On the tariff side, I think both from the customers and from the government, the recoveries are ongoing. We expect a full resolution for all the tariff-related matters, hopefully within the next few months.

On the quarterly number:

I think one of the interesting things this quarter has been that we crossed the INR 1,000 crore threshold as a quarterly run rate in revenues. Also, what is interesting in this quarter has been that Q4's consolidated profit before tax of some INR 97 crores was almost double that of last year. I think subsequent to the LDC and SCS acquisitions for the first time, PBT of the consolidated entity is higher than the PBT of the standalone entity. Full-year revenue grew about 17% and EBITDA grew also by about 19-20%.

The other highlight for the quarter:

The Controls division had a 15% growth. Electronics Division grew at about 30%. The real underlying change of performance has been largely due to the turnaround at SCS. As we have guided in the beginning of the year, we will be doing a significant restructuring across the Controls division and in SCS in particular. With this will turn EBITDA positive in Q4. As you would note from the press release, this has been achieved.

So, that has been one of the very important highlights, which will also, going forward, will aid in a much significantly higher, better performance.

With this, I will hand over to Medappa on giving a quick highlight on the numbers. Medappa.

Medappa Gowda J:

Thank you, sir. Good morning to all.

The consolidated revenue excluding SCS for the year ended 31st March 2026 was INR 3,377 crores, as against INR 3,106 crores for the corresponding previous year, recording a growth of 8.7%.

The consolidated operational EBITDA for the year ended March 2026 was INR 443 crores, as against INR 401 crores for the corresponding previous year, recording a growth of 10.5%.

The standalone revenue for the year ended March 31st, 2026, was INR 1,840 crores, as against INR 1,719 crores for the corresponding previous year, with a growth of 7.1%. The standalone operational EBITDA for the year ended March 2026 was INR 305 crores, as against INR 298 crores, recording a growth of 2.4%.

The total debt level was INR 785 crores, as on March 2026. The surplus cash balance invested in the mutual funds was INR 235 crores, as on March 2026. Thank you.

Ajith Kumar Rai:

Thank you, Medappa. Mohan.

N.S. Mohan:

Yes, very good morning, everybody. Thank you, Chairman.

Let me start with all our divisional performances and how we worked at each of those divisions:

So, let me start with the global division that is our SCDR, Suprajit Controls division:

While I am talking about it, I will be talking first about excluding the SCS because that has been the latest acquisition. I will talk about it separately.

So, SCD revenue grew by around (+10%) and EBITDA, for the first time margin, went to double digit. We ended the year at 11% there. The key things that happened, because it is very important to understand the story behind the numbers. We said that we have one too many factories in Mexico, we need to consolidate them. Therefore, we embarked upon that, and we completed the Juarez shift to Matamoros. So, now instead of having two factories in Mexico, now we operate under a single consolidated facility, which means it serves both for automotive and non-automotive purposes in North America.

While we were doing it, we also had to do the warehouse consolidation. Therefore, Brownsville, which is just across Matamoros, but in USA, became our main warehouse and it was significantly expanded to handle the bulk of North American shipments, which also meant that the El Paso warehouse also got taken down.

So, I would say that a major restructuring out there in America has been completed. And now hopefully with this tariff uncertainties coming behind us, I would say that we will now focus on winning business and establishing ourselves in the US market by strongly positioning ourselves onshore and nearshore.

While this is what happened in the US market, SAL India and Shanghai Lone Star in China both grew by 20%. And so that is another big ticket wins that we have started having, including in China, winning local customers there. So, plants are winning new business in the existing and the new product line, also with SDC support.

Moving over to the DCD or the Domestic Cable Division:

Our revenue grew by around 9%. But what happened was the growth rate was a bit dampened by the year-on-year price concessions that we had passed on to the customer. You know, we always have a lag. So, when the commodity price goes down, with a lag, we pass on that. So, this year was an interesting year where we had to give a price down, whereas the prices also increased for us. However, the underlying volume performance was pretty strong and the numbers suggested.

Overall, I would say EBITDA margins remained robust for the entire full year and remained unchanged.

Aftermarket and also very importantly, our theme of Beyond Cable Business is growing very well. And very important is in the industry, in the Indian industry, we have started, they have started recognizing Suprajit not just as a pure cable player, but looking at us Beyond Cables.

Moving over to PLD, this was, I would say, a small, I would say, hitch in the otherwise smooth ride that we had. The revenues declined by around 3% and EBITDA also declined. And this happened primarily because we were not able to pass on the price increases that happened in the commodity markets like Moly, Tungsten, etc. and also the volumes, did not grow to that extent. Therefore, there was a pressure on EBITDA.

TRIFA brand sales also was down due to Middle East conflict. And also, the aftermarket in India was a bit subdued. So, but the other positive point that took place in PLD is that this division continues to execute specialized equipment's that is making special purpose machines for our group. They have started regularly supplying both to SAL, our export-oriented unit, and also to our DCD facilities.

Another big positive thing that happened in PLD was we successfully executed the first set of orders of US largest retailer. And we feel that this retailer has awarded significant additional businesses coming forward. And this is going to become a meaningful new channel for PLD.

Our Electronics Division, again, did very smartly with the revenue being (+20%) growing on a YOY basis. EBITDA also grew substantially. And this happened despite global constraints in electronic supply chain and the price pressures that we had. And overall, if you look at it, what happened in SED is that we got a significant business momentum in digital clusters and electronic throttle controls. And this is expected to be carried over into FY27 also.

So, SED is now set to supply complete clusters, throttle, switch assembly, for one of the premium EV motorbikes. And we will also be supplying digital clusters to a key off-highway customer in the USA.

But obviously, the biggest part of the story, what happened, if I look at the divisions, was the SES turnaround that Chairman alluded to. SES turned EBITDA positive. For us, this was extremely important to ourselves in the market. Yes, we can do it. And we could prove this to even critical customers in Europe that we can take over a distressed asset. And then with their help, we will be able to turn it around and bring it on the even keel. So, we had guided this earlier.

Now, we have delivered it. So, just to let the quarterly trajectory, which happened in FY26 was in Q1, we were at almost (-20%) EBITDA. From there, in Q2, we moved to (-6%), Q3 to almost (-2%), to Q4, (+2%).

So, we see much more consistency coming in the directional improvement. And now, we have to start moving up north much faster.

Basically, what happened was our SES restructuring got completed. We shut down Poland. We moved all the manufacturing to Morocco. We moved the warehouse from Germany to Hungary. We right sized the operations in Germany. There was a tool room in Germany. We moved that also from Germany to Morocco. And as we are doing all these things, we went into the tranche-2. Jiaying transfer was under turmoil. I think our team did a great job in China in getting it under control very fast.

We got Canada under control by moving it into a new plant, fully integrating it into SED. Therefore, this was a lot of intense effort from the management team, but I would say with a very satisfactory outcome that we had.

So, with these updates now, I am going to hand over to Akhilesh for other portions of the business and also the outlook.

Akhilesh, over to you.

Akhilesh Rai:

Thank you, Mohan, and good morning, everyone.

Let me start with the Technology Center:

Just to remind you, the Technology Center has almost 150-plus R&D employees, 100 sitting here in Bangalore with 43 patents filed and 14 granted.

But it's part of a global team focusing on braking and brake-release sensors, electronics, and displays, and electromechanical actuation. And these three product lines have started seeing a lot more traction in all our businesses. This quarter, with the support of STC, we signed a Technical Collaboration Agreement, or a TCA, with a global brake system supplier for designing and developing a two-wheeler brake caliper for some of our customers. This is now under development and is also under testing with one of our key customers.

We are also working very closely with Bluebrake for their ABS, and this is under testing still. I would say that we still have a few more months before we can come up with a product that we are ready to take to our customers, but development is going well.

And we are also progressing well with the Sunroof Cable launch, which is now under testing with multiple Indian and global customers.

The new STC building, we are slightly delayed, but we are expected to complete in Q3 of this coming quarter.

And moving on to some other general updates:

Similar to the kind of infrastructure turmoil that we had, we also had a lot of effort and management bandwidth going into multiple SAP go-lives. We had DCD plants going live in the

beginning of this month. All 16 plants went live in April, and that went very successfully. It also ends the year full of SAP implementations. We have done almost four SAP implementations just in the last year, and one starting this year. And there will be a couple more going through this year as well as we move completely towards SAP HANA across the Suprajit Group.

Multiple plants also got awarded multiple good great certifications, which are very important recognitions for our customers. “JIPM, the Ford Q1 award, IATF, PSAC”, these are all critical kind of certifications and awards for most of our customers and a great achievement for our plant.

With tariff uncertainties behind us, I think we are now seeing that there will be fresh contracts that are coming to us to potentially win under this new tariff landscape, and we are quite confident that we will win quite a few contracts going forward.

Next, this is an important update on the renaming of divisions. I will give you just a brief, but more details are available on, I think, Slide #20 of the Presentation as an addendum slide. Basically, DCD, we are changing from Domestic Cable Division to ICM, or India Cables and Mechatronics. The reasoning behind it is that domestic doesn't make too much sense in a global scenario. So, when we go to a US customer and tell them a Domestic Cable Division, for them, domestic means something else, it means made in US. So, we wanted to specify India.

And similarly, SCD is now going to become GCM, which is Global Cables and Mechatronics. Again, specifying where the locations will be, we are focusing on global customers. And we are also adding mechatronics and actuation, which comes under mechatronics, as a key product line for both of these divisions.

Another reason why we are changing it is because SCD and SED sound very, very alike, which is also tough for a lot of our stakeholders and investors to explain the difference. But SCD stays the same in terms of the nomenclature. SED is no longer going to represent Suprajit Electronics division, but it will represent the products that it does, which is Sensors, Electronics and displays.

And finally, PLD, which was originally always doing lighting, will now be doing a lot more electrical products. And we will be focused on going beyond lamps. So, we have renamed that from PLD to PLE, which is Phoenix Lighting and Electrical. Just to be clear, again, this is the financial groupings are not changed. This is just a product focus and customer positioning related change. It's not a structural change of any kind. And you can find more details in the additional pages of the presentation and press release.

Now, I will just come to an outlook for FY27:

Firstly, needless to say, these forecasts are subject to many changes and the Middle East situation and the commodity impact it may cause the supply chain stability globally and some customer launch timings changing as per what they have given us as a schedule.

Firstly, from a group revenue standpoint, we see and expect a double-digit growth this year. Consolidated EBITDA, we are guiding for a 12% to 13.5% range for the year. And this is inclusive of SCS, which will now be part of the (GCM) Global Cables and Mechatronics Division.

GCM itself will have that double digit revenue growth. EBITDA margin is expected to improve significantly. GCM as a consolidated division last year, if you consider SCS part of it, it was at 6%. And we are expecting that this year to the EBITDA margin to be 10% to 12%. So, this is a really significant margin improvement and a key lever for our year in terms of improving our margin for the entire group. GCM is confident of the tariff recovery from all customers and from the government as well.

Our global division has also got a strong order book, especially in India and China, where both India and China are a double digit. And our India operation, which is SCL, is now planning an expansion in Chennai to cater to the growth.

Finally, as disclosed, SCS will no longer be separately disclosed. So, that will be part of GCM. We will be combining it under the Global Cables and Mechatronics division from Q1 at FY27. This will be grouped together.

Next is the India ICM, the India Cables and Mechatronics division:

We again see double-digit growth here, despite the single-digit sector outlook. This is mainly going to be driven by gains in market share and Beyond Cable project ramp ups that we have already won. We continue to see a lot more business coming in as well. The margins at ICM are expected to be stable.

Clearly, we are also happy to think and forecast for a double-digit revenue growth with stable EBITDA margin. This growth is partly due to a market recovery that we see. We are seeing higher cost of brake market imports, which is a key competition for us. And also, the fact that one of the world's largest halogen lamp manufacturers – in fact, the largest halogen lamp manufacturer has declared insolvency. The insolvency means there are a lot of active discussions now underway with multiple new customers who are looking to utilize our low-cost manufacturing in India.

SCD will have another strong year of double-digit growth. EBITDA margins should continue to be in line with FY26. And we also see a lot of good new business wins coming in.

And like I did earlier, SCD is also planning a significant capacity expansion to take care of this new business win expected.

Finally, just a quick note on the CAPEX for the year and to achieve the growth plan we are expecting:

We have a CAPEX allocated for about INR 200 crores. This is covering AURIC Maharashtra land purchase, STC building completion, SAL Chennai Plant-2, and the SCD capacity expansion. And of course, it also includes all the standard infrastructure, maintenance and equipment, replenishment and investments that we need to do across the whole group.

So, with that, I hand it back to the chairman for closing remarks.

Ajith Kumar Rai:

Thank you. Thank you, Akhilesh. All in all, before I let the questions come in, we had a good quarter.

I think the heavy lifting of the significant restructuring is all behind us. Hence, the outlook is good. Of course, this is subject to what happens in Middle East or the commodity prices, which are the standard caveats, I would say.

But we are in a good place now compared to what we were a year ago to pivot our business, not only on the existing businesses, but also the new products and new ideas, the new plans of the company, both relating to STC products and our current products. So, we expect the year to be a good year.

With that, I pass it back to the moderator and we will wait for the questions to come in.

Thank you very much.

Moderator:

Thank you. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Viraj Mehta with Simpl. Please go ahead.

Ajith Kumar Rai:

Yes, hi. Hi, Viraj.

Viraj Kacharia:

Yes, it's Viraj Kacharia. I think there's a mistake. Congratulations on, I think, a good set of numbers. Just a couple of questions. First is we gave guidance of double-digit growth and margins improving to about 12.5-13%-plus levels. Now, there's a cost inflation due to Middle East war. So, is it more of back-ends? Do you think that the margin improvement will play out for us? Internally, what elements are you looking at which gives you confidence both in terms of growth and margins, especially at SCD?

Ajith Kumar Rai:

I think, of course, the confidence comes from the businesses we have already won. I think, currently, the way automotive industry works is that if you get a business today, it gets executed year after next. So, knowing what the contracts are coming into picture, we are comfortable that we will have double-digit growth. But the point with all these things is that how the world is operating, right? So, if there's going to be any for example, if XYZ customers are launching a project promised in August, but it goes to October or next January, then there is a delay in the launch. These kinds of things are not in our hands. We are looking at what currently customers are saying when the launch is and at what time and what volumes. And we have given some

amount of let's say, conservative number on that. But if there's a significant change, it will lead to some delay. So, I think that's on the growth part of it. I think on the margin part of it is, of course, the commodity prices is a problem. But we will be pushing our customers for compensation for commodity prices, which have increased. And unless the Middle East crisis comes to an end pretty soon, it will further increase. So, that I think we are expecting that a significant or most of it will be passed on to customers, because none of the suppliers will be able to bear such increases. So, that is the caveat. But if there's a significant delay in resolution of the Middle East and if the overall global volume of automotive business comes down, I think these forecasts are subject to change. But we have taken a reasonably conservative look on the numbers and we feel that this is achievable, considering even if let's say a month or here and there for the resolution to happen in Middle East.

Viraj Kacharia: Okay, just two more questions. On the India business, see, if you look at the first half, the reported growth was lower because we had issues in slackness in the aftermarket. And then in the second half, we had this price reduction. So, if one has to just weed out let's say the price reduction impact, what would that be? And adjusting for this what would be the growth we would have seen in the India business? Any share loss or any?

Ajith Kumar Rai: I think the India business, if you sort of index it back with the price decrease that we give, would have been around 12%. And of course, we have to also normalize Phoenix Lamps division's de-growth, which we have discussed. If we normalize that, I think we are talking about maybe 12%, 13% growth for India business.

Viraj Kacharia: But, sir if you look at the end market, say the two-wheeler or the four-wheeler business, right, the production growth for last two, three quarters has been much higher than even adjusting for this one one-offs or. So, I am just trying to understand, are there any share loss? Because in the India business, we also report Beyond Cable where the bases grow low and we are scaling up. So, yes, reported growth seems low.

Ajith Kumar Rai: I think we have said this before that when you look at, let's assume you look just the Domestic Cable Division and Suprajit Electronics Division, forget about the Phoenix Lamps division, which has got a much higher aftermarket business. Take that out. If you look at that growth, it is in line with the industry growth. If you index it to the price reduction, actually ahead of the industry growth. Industry has grown to about 11% last year. We are probably, if you put those two things together and take Phoenix Lamps division out, I think we are talking about 13%, 14% growth.

Viraj Kacharia: Okay. Can you give some color in terms of mix and growth trends when I say DCD between the OE aftermarket and Beyond Cables, any color for the annual year?

Ajith Kumar Rai: Yes, I think we can separately give that some more data to you. But I think the aftermarket business in Cable Division has been pretty good. I think the OEM business, you must realize that we have always said this, that there will be some changes in the content per vehicle that will happen in terms of cables. But that will be offset with both how the Electronics Division, which

is mostly delivering to the two-wheeler business, plus the Beyond Cables business will do it. So, if you look at the overall picture, there is a slight growth, which is probably 1% or 2%, but there is no degrowth.

Viraj Kacharia: Okay. Last question was on these new initiatives. So, whether it be on the braking side we have signed this TCA with a global brake system supplier for two-wheelers. So, if you can elaborate more in detail what opportunities and it opened up for us. And similarly, we also talked about multiple collaborations we are exploring, right? So, I think there we have always communicated that we are looking at a three-platform, be it actuation, electronics, sensors, throttles. And so, these collaborations are within these new age two aspects.

Ajith Kumar Rai: Akhilesh, will you answer this question?

Akhilesh Rai: Yes, sure. So, in terms of the question about the collaboration, so, basically, we are working with a very strong player in the brake caliper market and designing a kind of a proprietary caliper for the India market. This will be for both scooters and motorcycles. And this is already well underway. So, we are working with a couple of OEMs to design this caliper for the India market. And we are expecting that this collaboration can grow. We have a significant share of, say, off-highway global customers. And this partner has a lot of technology and knowledge of all these industries to support us in the future. So, we are hoping this partnership will grow further. When it comes to your second question about where we are doing collaborations, I think our focus is these three different verticals. So, when you see some of these, let's say, when these two come to a point where we can disclose these partnerships, they will all be within either braking and break-release or actuation or digital clusters and sensors. So, I think it's very much in these three pillars.

Viraj Kacharia: And would the nature would largely be--

Moderator: Sir, I would request you to rejoin the queue for more questions. Thank you. The next question comes from the line of Gokul Maheshwari with Awriga Capital Advisors. Please go ahead.

Gokul Maheshwari: Thank you for the opportunity. My question was on the gross margins. In the last two quarters, the margins have been slightly lower than the previous quarters. Is this related to tariffs under recoveries or if you could just comment if they normalize in the current year?

Ajith Kumar Rai: I will have to look at this, Gokul, the why the gross margin between first half and second half. I don't have anything. Yes, the margin, there are some tariff recoveries that are yet to happen. So, maybe that is the one that is skewing the whole number. But I will have to have a look.

Gokul Maheshwari: Sure. And in your outlook with respect to EBITDA margins for the SCD business, where you guided for 10% to 12% margins, are you factoring in these tariff recoveries?

Ajith Kumar Rai: Yes, of course. This is a fully recovered situation. Even today, our numbers, what has been disclosed, anything that has not been recovered has been charged off. If it comes as a recovery,

it will be an additional bonus for us. So, the same way when you projected the number, we are expecting all the tariffs to be recovered. Because I think currently the tariff issue is significantly behind. But what's also happening with that, the customers are now getting licenses from the government. So, there is no new tariff is charged to us because we use that license and inward the goods into the US most of the times.

Gokul Maheshwari: Okay. And with respect to SCS, if you could just comment on the capacity utilization for the Morocco factories. So, we have achieved positive EBITDA. But what would be the current capacity utilization? Is it still underutilized? And how does the margin recovery play out in FY27?

Ajith Kumar Rai: I think we don't have a capacity utilization issue in most of our places. I think, for example, in Morocco, we operate mostly in one shift. So, I don't think there is an issue at all. Executing the businesses and capacities are in place in most of the places. I don't see that as an issue at all. So, I would say that with one shift operation, we are comfortably meeting the current requirement at Morocco.

Gokul Maheshwari: Okay. Lastly, just on the tax rate, what could be the effective tax rate for FY27 and FY28?

Ajith Kumar Rai: Medappa, can you make a guess estimate because a lot of that thing depends upon deferred tax, I think. Medappa, do you have any? I think it was some 27% in the last quarter, I think.

Medappa Gowda J: Yes, sir.

Gokul Maheshwari: So, that should be the number for FY27 as well?

Medappa Gowda J: For FY26 it was 27%. Then there is no change in the structure for the year '27 also. It will be the same.

Gokul Maheshwari: Okay, great. Thank you so much in all of this.

Moderator: Thank you. The next question comes from the line of Nikhil Rao with iThought PMS. Please go ahead.

Nikhil Rao: Yes. Thanks for the opportunity and congrats on a great set of numbers. So, just a couple of questions on my side. So, could you provide more details on this CAPEX INR 200 crores that you planned? Could you provide us like division-wise what you are planning to do and especially for the Electronics Division, how much of the INR 200 crores is allocated for this?

Ajith Kumar Rai: Mohan, will you comment on the CAPEX?

N.S. Mohan: Sure. Out of the total, what we are looking at INR 200 crores, we would be approximately allocating to India operations close to INR 80 crores. And about INR 50 crores will go to global operations. And about INR 50-odd crores would be going to STC. And there would be a tail of

around INR 15 crores to INR 16 crores coming to corporate, primarily into IT infrastructure and those kind of stuff. So, that is one way of cutting the cake. The other way of cutting the cake, if I can say, is how much we are spending on land and building, plant and machinery, software, IT, those kind of stuff. So, ballpark numbers, if I can give on land and building, we are looking at around close to INR 80 crores. And on plant and machinery, about INR 105 crores, and about INR 15 crores coming for software and IT.

Ajith Kumar Rai: I think to add to what Mohan said and to be a little more specific on Electronics Division, what we are planning is that, some of you might have visited our facility, the central part of our facility is a historic old building with a metal roof. So, what we are planning to do is to relocate that business out to leased premises for a two-year period, completely demolish that building and come out with, let's say, a three-story brand-new building to sort of bring in line with the electronics kind of manufacturing. So, I think that is the plan that will be spread over two years. The first year's part of it has been allocated for this year. So, that's the other way of looking at it, specifically on the Electronics Division.

Nikhil Rao: Okay. And also share how much CAPEX is planned specifically for this purpose.

Ajith Kumar Rai: For the Electronics Division alone, I think it will be spread over two years. I think this building, if I am not mistaken, is about INR 30 crores to INR 40 crores of the investment, but it will be spread over two years. So, this year allocation may be half of that.

Nikhil Rao: Okay. Thanks for that. And could you also provide more details on the order from the Chinese OEM you had mentioned in the previous quarter? The order size, what kind of products you are supplying, timelines?

Ajith Kumar Rai: We don't give the number, but Mohan, you can talk about the EV customer's current status generally in Lone Star, maybe?

N.S. Mohan: Yes. Obviously, I will not be able to divulge the name of the customer. All I can say is it's one of the very leading upcoming local Chinese players who has got global ambitions. And we have been able to start supplying to them. And this is going to be with the door lock cables and latch cables. So, we would be expanding the business with them. So, that's what I can divulge at this point in time. Specific numbers I cannot or the name of the customer.

Ajith Kumar Rai: The added part of this is that I think the strategy with which we are able to get this business is that this customer has global plans and our global supply chain footprint meets their requirements. So, the starting point is in China. We have one, I think, nearly two dozen separate cable businesses with them. Three-four of them have been commercialized. And in the next one year, I think the rest of them will go into production. So, I think that would be a stepping stone to meet their global requirements and the next phase of the growth with this particular customer.

- Nikhil Rao:** Okay. Thanks for that. And if I can ask just one last question on the electronic division. So, how do you see the margins evolving for this business over the next two, three years? Like we are around 10% currently. So, where do you see this going over the next two, three years?
- Ajith Kumar Rai:** I think it ultimately depends upon the product mix that it will pan out. We can only comment for one year because the subsequent year projects and the prices at the time of implementing those projects will be difficult to estimate at this moment. I think we will be in a comfortable double digit. I think that is all we can say for the coming year. That is exactly what we have also guided in our forecast.
- Moderator:** Okay. Thank you. The next question comes from the line of Amit Hiranandani with PhillipCapital. Please go ahead.
- Amit Hiranandani:** Yes. Thank you for the opportunity and congrats to the team for a good set of numbers and earning around the SCS successfully. So, my first question is basically on the margins itself. For the margins for the domestic cables and for the Phoenix Lamps, it has actually struggled in Q4 and FY26 as a complete year despite domestic cable business as our core strength. So, just wanted to understand the reason for the same and how confident are we in maintaining the margins for India cables, Phoenix Lamps and the Electronic Divisions for the next fiscal looking at the cost inflation?
- Ajith Kumar Rai:** Yes. I think in a sense, we have explained this in earlier times also. Let us make it clear. DCD operating margin has remained absolutely strong and the best amongst the group divisions. But what is happening in Domestic Cable Division is that the other overheads has to be allocated somewhere. So, all Suprajit Technology Centre expenses and corporate overheads sit on Domestic Cable Division. Now, just to give a comparison, the year before and last year, we ended the last year with almost 150 teams at Suprajit Technology Centre which the previous year end was probably 50 or 60. So, that is the delta. And similarly, at the corporate office with the kind of global operations we are doing with the implementation of SAP, the team strength, whether it is at the finance, whether it is the IT, whether at our global monitoring in terms of strategy, those teams have expanded to meet our global requirements. So, those costs sit on DCD. So, when you see the drop, it is not that the operations of DCD has drawn. It is as strong as ever. So, that is as far as the DCD is concerned. Phoenix Lamps division, yes, last year has been, I would say, yes, you are right about 200 basis point drop in the margin is very true. This is largely because the top line did not grow. Obviously inflationary pressure keeps pushing up. But the important part of that is both aftermarket in India and TRIFA brand sales. The brand sales are always at a much higher margins. Both those have been slightly affected as we have announced in our business update. I think that is the reason why margin slight drop is there 2% at the Phoenix Lamps Division, which is what we are expecting to recover this year, because this year, first of all, the growth is expected to come back for various reasons, including we talked about the world's largest retail chain is started buying to us. It is graduating to the next level. We are expecting some certainly a recovery in the Indian aftermarket. And also, the new businesses for aftermarket due to this insolvency in Europe is also going to aid a faster recovery of our top line, which will automatically bring the margins back. So, we expect the margins to

be easily to be in the next what is in the last year and probably better is what we expect by end of the year.

Amit Hiranandani: Good to know about this. Secondly, the global piece of the business, which is majorly the SCD and SCS combined entity, the margins for this fiscal was around 6%-7% broadly. And the guidance which you have been giving is around possibly 400 basis points improvement to 10%-12% level. I wanted to understand where do you see this incremental improvement? Is this only related to the tariff recoveries or there is organically we are doing something?

Ajith Kumar Rai: No, not at all. I don't think tariff recovery is bringing that kind of that will be some unrecovered past, which will be passed back on by a customer or government, there will be some part of it. Yes, it will be there. But it is significantly the restructuring that we have done not only at SCS, but within the Controls division is what is bringing that margin up by as you rightly say, from last year 6% to 10%-12% is what we have guided. Just to put the perspective, I think SCS was an insolvent entity and the first three quarters it had lost money. So, only in the 4th Quarter, they just turned around, right? So, that is in a much better trajectory in terms of operations. What is also important is the consolidation of our business in the US. I think Juarez operations getting consolidated into Matamoros. I think the Jiaying operations in China are starting to resolve all its initial issues and consolidating that business. The issues within Europe of relocating all the warehouses to Hungary from high-cost Germany, the scaling down of German team and two tranches, the multiple things have happened. The effect of that will be seen in this year. So, I think it is operational excellence, operational turnaround, which is largely responsible for this margin increase.

Amit Hiranandani: Right. So, lastly now this LED transition is expected to take faster. So, just wanted your thought, how do you see the outlook for the Phoenix Lamps division in FY'27 and beyond? And any plans for now getting into LEDs?

Ajith Kumar Rai: Mohan, will you want to take that question?

N.S. Mohan: Okay, let me answer the second portion first. Are there any plans to now get into LED? I think I have to answer that in past tense. We have already got into LED. So, that is the past tense. We are already having Phoenix brand LED bulbs available. Okay. So, that is a drop-in solution. Now I come to the first portion of your question. We have stated that our strategy when we bought Phoenix Lamps itself was the "Last Man Standing" strategy. We said that there would be other players who will be downing their capacity. And once that happens, we will be picking up those orders. And therefore, we will be keeping our lines busy. For me, at the end of the day, when I am running my business, I have to sweat my assets. As long as I am sweating my assets, I am perfectly fine with it. And till date, from the day that we have bought this company, when they were naysayers to now, I would say that I have kept my assets sweated. So, I expect the same thing to happen because like what we said, in Europe, there is one big player who is probably now getting into major difficulties. And there could be potential fallouts of that, which would mean that whatever that they were selling in the market would be up for grabs. And we should be positioned correctly there with our Luxlite and back-ended operations in India to deliver it.

So, again, that would mean sweating the assets. If you look at the Indian OEMs, they were also buying from one of these global majors. And once that started shutting off, these people came to us and started buying from us. So, Indian OEMs who still have some amount of halogen tail are buying from us. So, for me, I would say, is it going to have a sudden death? The answer is no. Is it going to have a slow sunset? The answer is yes. But as long as the sunset is happening and you are switching on other lamps, the light, which is available on the road, on the path would continue to be bright.

Ajith Kumar Rai: I think just to add to what Mohan said, I think if you see the re-nomenclature of Phoenix Lamps division, it is now also electricals, so lighting and electricals. So, all I could say is that as a team, we are working on other projects. In an appropriate time, we will get to know about it. As a first step, as you probably may be knowing that we launched our horns as a part of our internally manufactured product into the market, it is a first step. I think hopefully in the months to come, you will hear more from us on other products and projects that you will be able to do at the PLE. That's how it is being re-nomenclated.

Moderator: Thank you. The next question comes from the line of Rachna Kukreja with SCIL Ventures. Please go ahead.

Rachna Kukreja: Thank you for the opportunity. I have questions on the SCD business. Can you give some color on order book and how is it spread in terms of cable and non-cable business? We had a decision to expand SAL plant in Chennai. Is it more for new business or captive business transfer of LDC?

Ajith Kumar Rai: Mohan, will you answer that question?

N.S. Mohan: Sure. Again, let me start by telling most of the business that we got from outside, that is when we acquired, whether it was Wescon or Kongsberg LDC or SCS. It was a very clear strategic plan from our end and intent from our end that we need to go and buy the cable assets because cable is our core competence product and we know about it. So, we wanted to global player. And therefore, if you are asking me from our SCD division, how much of it is cable and non-cable, I would say a vast majority of it is cable. Having said that, when we went in for LDC, one of the key things which attracted us towards LDC Kongsberg was their actuator business, electromechanical actuators or EMA as they called it. Therefore, to that extent, there is electromechanical actuators coming in as a part of the business. But is it right now a substantial part of the business? The answer is no. Do we want to grow that? The answer is yes. So, that answers one part of the question. Now, coming to the SAL part of the question on SAL-2, that is purely capacity building because we are running out of capacity in terms of physical infrastructure building, etc. Therefore, we have to have an SAL-2. Since we already are sitting on a land bank and it is very near to the port there, so our Vallam plant made sense for us. Therefore, we decided to put it up there. So, when you say captive consumption, it is basically SAL as a legal entity having let us say Unit-2 of its own operating from Vallam or in Chennai.

Ajith Kumar Rai: And I think just to touch base on I think another part of the question is that is there any relocation of business from outside of these other units to India? I think that is not really the strategy. I think the customers today want both onshore, offshore, and nearshore model. So, it all depends upon the customer's expectations and need. When the new contract is ordered, we decide or in discussion with the customer where that business is to be executed from. So, accordingly, we do it. But SAL-2 is purely considering the businesses that SAL has one, we need an expansion of capacity.

Rachna Kukreja: Okay, understood. One more question. Any resolution to tariffs under recovery of earlier years in North American operations? And added to that, any update on North American agriculture, off-road market demand trends? What are we hearing from them?

Ajith Kumar Rai: The recovery of this non-automotive side of the business in US is still slow. There are two parts to it. Some of them have got relocated to smaller handheld grass cutters, etc., relocated to China, most of it. But generally, the business growth has been very tepid still. That is in line with what is happening in the world. But I think in terms of resolution of tariff, I think on a principle manner, I think we have agreed and got clearances from customers that they will pay. But the question of how the payment happens, I think with the recent Supreme Court judgment in the US that the government has to pay the duties back to us, there is a process that has been set in to place. There is an online portal where we need to upload all kinds of stuff there. And eventually, hopefully, in the next three to six months' time, some of the duties will come. So, we have an issue of timing in terms of recovery of these duties. But if the customer has paid for the duty and we are recovering through this portal, then we have also an obligation to pay it back to the customer who has paid us. So, in a sense, there is a lag and some amount of that lag of that duties and tariffs may have a positive impact on this year. But it is very difficult to say because quite a bit of it has to be refunded to customers back.

Rachna Kukreja: One more question on the Phoenix Lamps business. How much of sales loss from Middle East market was there and how big is customized equipment business for us? And any thoughts on expanding this to third-party sales and similarly, the US retail business? What is the opportunity landscape in terms of number of stores versus our current coverage?

Ajith Kumar Rai: I think TRIFA lost business. I mean, I am giving just a thumb rule off-the-cuff answer to this. Maybe about \$3 million probably because of the loss of business of TRIFA brand. In terms of the equipment manufacture, it is still pretty small, I would say, because Phoenix Lamps had a specialized capability to do automation and new equipment building. Equipment means manufacturing setup. So, they were doing it only for their Lamps business, but I think with the team being strengthened, we thought that we will try for our cable business also. They probably have already delivered about, I do not know, 10 or 15 equipment's in the last one year to our group. But it is something that we need to still fine-tune and leverage more. Mohan, you have got any other answers on the other equipment's?

N.S. Mohan: No, not really, because fundamentally, this is more a captive, I would say, consumption. And more so, when we do the process technology development, we do not want this process

technology to go out, and we want it to be proprietary in nature. So, that is more the intent with which we are doing this.

Ajith Kumar Rai: We are not likely to do it for third parties, no. That is not the plan at the moment.

Moderator: Thank you. The next question comes from the line of Chirag Chitrakut with Whitepine Investment Management. Please go ahead. Chirag, please go ahead with your question.

Chirag Chitrakut: Hello, thanks for the opportunity. Sir, two or three questions. I have three questions from my side. One, there is a clarification on this US tariff. So, is it possible for you to quantify what is the amount of tariff that you have provided in P&L that would be helpful, point one.

Ajith Kumar Rai: No, I think tariff, Chirag, it is very clear. If you have not recovered from the customer, it is charged to P&L. There is nothing--

Chirag Chitrakut: No, no, sir. What is the quantum?

Ajith Kumar Rai: Quantum of tariff that is charged to P&L, is it? I will have to check this. Net of recovery for the year, there may be an additional charge of last year, may have been probably a million plus into the P&L. It would be \$1 million to \$2 million as an additional charge, which is charged to the P&L, yes.

Chirag Chitrakut: Sir, that has an additional dent on margins, which is not a notional or a normal business--

Ajith Kumar Rai: But what is happening, please understand. Some of the tariffs are unrecoverable from customers. For example, there is a duty that is charged on steel when it comes into Mexico. And when you look at it per cable, it is maybe 10 paisa, 20 paisa. But when you do millions and millions, it adds to it. But for that, we could not go to the customer. So, we just have absorbed as an additional material cost, that's it.

Chirag Chitrakut: So, that is unlikely to repeat in '27, correct?

Ajith Kumar Rai: It will be repeated. Mexico tariffs are ongoing. So, it will continue to be there in this year also.

Chirag Chitrakut: Okay. But it will not be as \$1 million to \$1.5 million, right? It would be like maybe...

Ajith Kumar Rai: No, What I am saying, where we could not pass on is maybe between \$1 million to \$2 million, which we absorbed, that will be permanently will be there in our material cost itself.

Chirag Chitrakut: Okay, so in '27-28 also, it will be there?

Ajith Kumar Rai: Absolutely, it will be there. And our guidance is based on that only. And where we are having absolute, I would say, positive impact on P&L is we have earlier, I think maybe 18 months ago, we have disclosed about the case with the Federal Government on recovery of a 301 tariff, which

is about \$6 million. That \$6 million is still an ongoing tussle between us and the Federal Government. We are in the final stages of coming to a resolution by the Court, which I am hopeful that in the next three to six months, we will hear from. If it comes, it is a complete positive for the company. But we don't want to say anything about it at this moment.

Chirag Chitrakut: And that is, that will not be required to be refunded to the customer, right? Because that you have...

Ajith Kumar Rai: It will not be refunded to the customer, no. Because the customer has not paid for it.

Chirag Chitrakut: And it is provided again through P&L, right?

Ajith Kumar Rai: It is already, it is already provided in the respective times, yes.

Chirag Chitrakut: Okay. And just to clarify, sorry for hopping on this. So, in '27, this \$6 million, which will not appear for us on a negative side. So, your margin guidance, whatever margin that...

Ajith Kumar Rai: Our margin guidance is without considering that, yes.

Chirag Chitrakut: Okay. So, that one, this is helpful. The second is on the China market, now that you have started the commercial supplies to this one big customer. So, how is China market in general? So, if I have to ask you five years out, what could be your minimum and maximum market share potential? Because every country is different. Like in India, you are, in many customers, you are 70%-80% in terms of supply. So, in China, five years out, what is the max market share you could have with that customer? Is it that it could be in the range of 15%-20% or if the scope is...

Ajith Kumar Rai: You are talking about a particular customer, or you are talking about general?

Chirag Chitrakut: No, the customer that you have indicated?

Ajith Kumar Rai: Okay. Got your question. Yes. The point here is simple. I think this particular customer had, I think, two domestic other cable man suppliers. They do not have a global footprint, as we understand. Maybe they will set up, that is a different point, but currently they do not have. So, the opportunity from this EV customer is that they are the largest in the world today and they have got global ambitions. And our idea is to piggyback with them to wherever they want to go as a global supplier. This is the 1st Phase of that overall strategy. Now, how much business we will get from them it all depends. We are just in the last three or six months we started supplying. As I said, we have (+20) projects to execute. I think three to four of them are commercialized. So, I would say over a period of time, I think maybe in China, at least if we do not get, let us say, 20% of that customer's share of business in the next two, three years' time, maybe we would think that we have not been very successful.

Chirag Chitrakut: For two to three years 20% is your aspiration?

- Ajith Kumar Rai:** It could be more. I think it all depends upon how all these launches go. You know, it is such a diverse customer with so many products. So, there will be a lot more businesses to be won, a lot more projects to be executed. It all depends upon how the team does. But based on that confidence we have.
- Chirag Chitrakut:** This 20% aspiration is including the local Chinese sales that they do, right? 20% is of the overall share or only export?
- Ajith Kumar Rai:** Typically, every global major, let us say top 10 global customers will have three, four, five suppliers. That is the way it works. So, we are just dividing 100 by that. That is it.
- Chirag Chitrakut:** And one more question if I can have. If I look at Q4, SED and SCD, your own classification that is there, have been the saviors. And the traditional businesses, even if we exist for some tariff related issues--
- Moderator:** I am sorry to interrupt, Chirag, you are not quite audible. Yes, I can't hear you properly.
- Chirag Chitrakut:** Is it better now? Sorry. Is it better now?
- Moderator:** Yes. Yes. A little better. Please go ahead.
- Chirag Chitrakut:** So, the cost of repeating, if I look at Q4 and in fact for the F26, SED and SCD have been saviors for us in terms of margins and overall revenue performance. The rest of the businesses have struggled both at revenue as well as on the margins front.
- Ajith Kumar Rai:** That we have already answered, Chirag. You are talking about DCD and PLD. We have already explained in great detail just now.
- Chirag Chitrakut:** No, no. Sorry. My question is on the revenue side, DCD, can we see the state of that happening?
- Ajith Kumar Rai:** Sorry. I can't hear you.
- Chirag Chitrakut:** I will come back in the queue.
- Moderator:** Thank you. The next question comes from the line of Ravi Purohit with Securities Investment Management. Please go ahead.
- Ravi Purohit:** Yes. Hi. Thanks for taking my question and congratulations on a good set of numbers, sir. Thank you, Ravi. Yes. So, essentially, just going back to our acquisition at LDC, I think Mr. Mohan had also alluded today that there was actuation-related products that we had got technology for. And I think it's been a fairly long period of time since we have acquired. And I think we had mentioned earlier that we are refreshing the entire product portfolio and all those things. So, if you could share with us in what stage of journey are we in on launch or scaling up of those

actuation-related products? Because that would have been the next logical step to expanding our cables business.

Ajith Kumar Rai: Akhilesh, will you take that question on actuation? Akhilesh?

Akhilesh Rai: Yes. Sorry. In terms of actuation, we first got our actuation technology when we acquired LDC from Kongsberg. With that capability, we launched multiple actuators for the two-wheeler business in India. And that did very well in the last couple of years. Now, we also launched a couple of products with some new EV vehicles, some with ICE and some with EV as well. So, these actuators are much smaller actuators than what we do in the US and in Europe. And in China, of course, we also do actuators in China. But these are much smaller than we started in India. At the same time, Kongsberg LDC had focused on a very high-force actuator, which is used only in very large vehicles. So, premium SUVs in the US to kind of lift and flip the second row and third row to give you full access, the full flatbed kind of access to the SUV. So, those kinds of actuators are still not prevalent here in India. I think that premiumization trend has not yet caught on, but it's slowly catching on. We see a lot more customers interested in our actuator portfolio to bring to India, but it's in the most premium segment in India vehicles. Even in high-end Innova, you don't still get electromechanical-actuated seats, folding and flipping kind of seats. So, we are working with our customers to try to align when they launch in India for the high-force actuator. But at the same time in terms of there are a lot more actuators when you come to the medium-force actuator, which is a slightly lower-force actuator. And that is what our tech center has been developing the last year. And we are expecting to have samples of those now with a lot of our customers in the coming few months, where we have redesigned an actuator for having a lower force and of course, in terms of cost and quietness for the cabin, we have tried to develop an actuator that is better than our competition. So, we will hopefully show this in the next few months to our customers. And then that is still a long pipeline two years, which once we show the customers this, we would expect at least one or two years before those actuators become real business for the cables division, both globally and in India. So, I think that hopefully captures the actuator.

Ajith Kumar Rai: And I think to add to what Akhilesh said, Ravi, is that the original version of the actuator that we got from the LDC acquisition was an old generation. I think what was found lacking was the noise and the force, and when compared with some of the current competitors. So, that's where STC stepped in to come out with actually at least two, three solutions at different force levels, with the lower noise level, NVH levels and better price levels. So, our existing business continues, has it grown? Not much, excepting that, as Akhilesh said, some of the two-wheeler applications, we have been able to use their technology to modify to a smaller actuator and use it, which has been produced in India. Globally, the current businesses run, but for the new businesses, I think some of the new generation or additional business, we need some of these new generation actuators.

Ravi Purohit: Great, that helps a lot. So, I think relating to this very business, I think we had also mentioned about motors, right? Earlier, I think there was some sourcing development that we were doing.

So, if you could update whether we are sourcing the motors from India itself, or are we sourcing it from China, or is there any idea of...

Ajith Kumar Rai: Yes, I think originally, we are buying these motors from China for some of our requirements in both Europe and in US. It was shifted to an Indian supplier, that is now what is going on. So, that had helped us in reducing the tariff risks and now the tariff risk is completely off because our customer assembles with our motors, which is in India origin, and then supplies to a local Mexican Tier-1, who then further transfers the whole thing into a seating and then it delivers to US. So, that has completely avoided the tariff structure. That was a big problem with the original China motors.

Ravi Purohit: And no plans to kind of do it ourselves these motors? No idea of kind of doing the motors ourselves, right? We have a good reliable source base in India itself, right?

Ajith Kumar Rai: Yes, yes, we have a good supplier in India today. Yes. He's a global supplier too.

Ravi Purohit: Okay, great. So, last question, I think I think we discussed earlier also now, I think because more than 50% of our operations are actually global in nature, the cost structures will also reflect similar numbers. So, if you look at employee cost to sales ratio, for example, right, I think, post LDC acquisition and SES acquisitions, it has been hovering between, like, say, 21% to 25%. Somewhere in the last year, middle of the year, it had kind of touched and crossed 25%. This last quarter, it is down to 21%. So, is there a fair assumption that last year in certain quarters, and I think you had alluded to those, whether there was some, like, one-off or one-time employee-related costs, which are sitting here, and should we assume 21%-22% as the base number or from an employee cost point of view?

Ajith Kumar Rai: Yes, last year as we had done some restructuring and reduction of people and that cost has hit the P&L. So, the cost of that restructuring would be sitting there in the employee cost somewhere. So, from that point of view, I would expect that by this year's number should be an improvement. One of the reasons why we are saying there is an improvement in margin is not because the material costs will change. What is changing is the employee cost and other expenses because of the restructuring. I think that is where you will see those numbers improve for the current year and hence the margin improvement, yes.

Moderator: Thank you. The next question comes from the line of Jinaal Sheth with Awriga Capital Advisors. Please go ahead.

Jinaal Sheth: Sure. So, firstly, I would like to commend Suprajit to the team for basically giving a timeline for how you guys executed on SCS and you actually lived up to it. So, that's something that is commendable. So, I just wanted to understand, sir, is that we have always understood the company, especially in the cables business or the "Last Man Standing" and the kind of difficult environment that we are seeing today. Are we seeing any changes in the competitive landscape where companies are going bankrupt? Any thoughts on that?

Ajith Kumar Rai: I have always said this. I don't know whether it's about bankruptcy or otherwise. I think the accommodation of auto component suppliers, particularly at least relating to our business, whether it is lamps or whether it is cables, we have always said this it's going to continue to happen. The point is simple. The customer wants global suppliers who can supply to anyone of their plant anywhere in the world. I think that is the name of the game going forward. One of the reasons we acquired LDC and SCS is to make sure that we have that footprint. So, I think that will be continually the case, whether somebody will go bankrupt or whether somebody will get acquired. And as we ourselves have acquired five or six cable assets and a couple of lamps, at least one lamp asset in India. So, what I am saying is that these things are there, it will happen. So, the guys who are most competitive in the business will certainly make more inroads. And that's why when I said we are talking about double digit business growth in global business, when there is a global business underlying automotive or whatever the business is actually not growing, says that somebody else is suffering in the process. So, how long they will suffer, whether they will get acquired, whether they will go bankrupt, I think that time will tell. But as we just mentioned in the call, one of the biggest, largest halogen lamp manufacturers has gone insolvent in Europe just now. So, these are all parts of the game and consolidation will be the key. Those who are not efficient, who are not value for money will have difficulty going forward.

Jinaal Sheth: Okay. And my next question is, when we are thinking of new products, like we have spoken about throttles, clusters. So, obviously a lot of other companies are also doing it. And it's not that these are special products. So, I just want to understand our thought process when we are entering these spaces. How are we looking to win here?

Ajith Kumar Rai: Akhilesh will take a shot at it.

Akhilesh Rai: Yes. So, we very specifically focused on our cable portfolio and the functions our cable portfolio has always been playing in a bike or a scooter. So, we have always been doing speedometer cables. And now we are doing the digital cluster, which is kind of a replacement or more premium vehicles for the speedometer cable and the analog speedometer that we are already doing. So, that is on speedometers. On the throttles, we have always been doing the throttle cable. Now we can do the electronic throttle and the throttle sensor and throttle plus switch. So, we are, again, kind of premiumizing or replacing our cable wherever it could get replaced. And similarly, with brakes and brake systems we are looking at becoming a full system provider and that replaces our current brake cable or enhances our current brake cable and CDS type of business profile. So, our focus is very clear. It is only on our functions and how they will be replaced and in terms of or replaced or enhanced and how in terms of advantages we have is we have both India and global access to customers for these specific functions. And therefore, we have something that a lot of our competition doesn't have in terms of customer access. And also, we are very focused on developing these products in terms of R&D to bring just these few products with a lot of investment to kind of bring new technologies to those products. So, a throttle, for example, we are now exporting a throttle with a heated drip from India to China. So, you can imagine the kind of technologies we are trying to build here. We are also doing multiple different types of sensors. So, we are investing a lot into a very small product type which are

competitors wouldn't do. Similarly, with clusters where we have a very large access globally to the off-highway segment and to the two-wheeler segment in both US, in China and India. So, those clusters and throttle and electronics kind of will focus on those segments where we have a lot of good market access.

Jinaal Sheth:

Okay. Thank you. Good luck.

Ajith Kumar Rai:

And I think it's already 12.20. We will take one last question Moderator please.

Moderator:

Sure, sir. The next question comes from the line of Rachna Kukreja with SCIL Ventures. Please go ahead.

Rachna Kukreja:

Thanks for the opportunity again. My question is on the SEL business. Compared to last time when we shared our order book, how would that have evolved now?

Ajith Kumar Rai:

You mean in Suprajit Engineering Limited, you mean? SEL. Where did you say?

Rachna Kukreja:

SEL.

Ajith Kumar Rai:

No, actually we don't really talk about an order book as such because we are all working with the OEMs. Our order book is what is there on the SAP portal on that day, and the volumes are depending upon how that particular, let's say, model works out. There is nothing like a fixed order that has been awarded by the customer with volume. There is an order with a price, not the quantity. So, quantity depends upon how their vehicles move. So, typically in the auto component business, the order book probably can be mentioned by multiplying with the expected number of vehicles, whether the two-wheeler cars are produced. But we don't do it. We basically go by what the customer orders on a day-to-day basis. And once the order is received, we will also know whether we are a 100% supplier for that or in 70% or 50%. I think that creates an order book, but then we don't really project it for the year. That has been our practice.

Rachna Kukreja:

So, in digital clusters, electronic throttle control which end segments and customers are driving growth?

Ajith Kumar Rai:

Both these products at this moment are for the two-wheeler, both EV and ICE segments. Having said that, on the digital cluster, as Akhilesh just mentioned, we are just now working with one global major for a North American non-automotive business. That is a fairly significant new business that we are likely to execute sometime during the course of the year starting. So, I would say most of these businesses are currently for the two-wheeler industry.

Rachna Kukreja:

And any new products have we commercialized in this business?

Ajith Kumar Rai:

In Electronics Division, I think as Akhilesh said, I think throttles are the big hot subject at this moment because what we have been able to deliver to customer is a throttle which is a simple

ferrite magnet-based, not the rare earth magnets. That has given significant interest for most of our customers. So, quite a bit of those developments are happening on the throttles. And actually we are developing a very – Mohan, will you touch on some of the other development in Electronics Division, particularly the clusters and others?

N.S. Mohan:

The first and foremost thing is the actuator. So, I would say seat-lock actuator or when you put a charging gun for an electric vehicle, you need to charge the electric chargers, then you need to have a lock there. So, we have started supplying it. So, these are some of the products which have come from the stable of STC which has got commissioned out there. So, largely, I would say three major categories that I can talk about. One, instrument clusters. Again, in what we call it as Supra 1.0, 2.0, 2.5 and 3. These are the three, four different platforms that we are talking about. So, this is the one major set. Second major set is the actuators, like what I said, like seat-lock actuators, charging gun actuators, such things. And the third important is the Throttle Position Sensors or TPS as we call them. These are the three products which have come out of the STC stable.

Rachna Kukreja:

Okay. Thank you.

Ajith Kumar Rai:

Thank you. With that, I would conclude this session. If there is any more information required, please do contact our PR, Medappa, our team. We appreciate the interest you guys are showing in Suprajit, and as I said, it has been a good quarter. And thank you all for your time and patience, and I hope we have been able to answer your questions. With that, I hand you back to moderator and Anand Rathi. Thank you.

Moderator:

Thank you sir. On behalf of Anand Rathi Share and stockbrokers that concludes this conference call. Thank you for joining us and you may now disconnect your lines.