Date: November 13, 2026

To,

BSE Limited,
20th Floor, P.J. Towers,
Dalal Street,
Mumbai - 400001.

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051

BSE Scrip Code: 544886

NSE Scrip Symbol: TEMPSENS

Subject: Transcript of an earnings conference call for the quarter and half year ended 30th September 2026.

Dear Sir/Ma'am,

ln terms of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the transcript of an earnings conference call for the quarter and half year ended 30th September 2026 held on Saturday, 31st October 2026.

You are requested to take this information on your record.

Thank you.

For Tempsens Instruments (India) Limited

(Formerly known as Tempsens Instruments (India) Private Limited)

VISHAL JAIN Digitally signed by VISHAL JAIN Date: 2026.11.13 17:26:16 +05'30'

Vishal Jain
Company Secretary & Compliance officer
Membership No.: A45820

“Tempsens Instruments (India) Limited
Q2 FY27 Earnings Conference Call”
October 31, 2026

MANAGEMENT: **MR. VINAY RATHI – MANAGING DIRECTOR – TEMPSENS INSTRUMENTS (INDIA) LIMITED**
MRS. PRIYANKA MENARIA – CHIEF FINANCIAL OFFICER – TEMPSENS INSTRUMENTS (INDIA) LIMITED

MODERATOR: **MR. MOHIT KUMAR – ICICI SECURITIES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Tempsens Instruments Limited Q2 FY27 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 this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Mohit Kumar from ICICI Securities. Thank you, and over to you, sir.

Mohit Kumar: Good afternoon. On behalf of ICICI Securities, I welcome you all to the Q2 FY27 Earnings Call of Tempsens Instruments Limited. Today we have with us from the management, Mr. Vinay Rathi, Managing Director, and Mrs. Priyanka Menaria, CFO.

We will begin with the opening remarks from the management, which will be followed by Q&A. Thank you, and over to you, sir.

Vinay Rathi: Yes, thank you, Mohit, and good afternoon, everyone. Before we begin, a brief note. Some statements made by me on today's call may be forward-looking and are based on management's current expectations. They are subject to risk and uncertainty, and the actual results may differ materially.

Our H1 FY27 results are unaudited and have been subject to limited review by our stat auditor. Where we refer to peak revenue potential of new capacity, this is indicating revenue at full utilization. It is neither a forecast nor guidance. All figures we discussed today are consolidated and compare the first half of FY27 with the first half of FY26.

H1 financial year '27 includes Tempsens Germany, Tempsens Polska, and Tempsens Measurement and Control, which were not part of the group in H1 financial year '26. Please refer to the disclaimer in the investor presentation filed with the exchanges. Thank you for joining our second earnings call and our first is listing on NSE and BSE on 28th August. Second, yes.

In the first half of FY27, our consolidated revenue grew 33.7% to INR255 crores. Exports more than doubled to about 37% of our product revenue. EBITDA grew 12% to INR55 crores, and adjusted profit after tax grew 17% to INR38 crores.

For those who are new, I would just like to describe what we do. We measure temperature, we generate heat, and we connect it. So our 3 verticals temperature sensing, electrical heating, and specialized cables often serve the same customers in the plant.

What we make is engineered, make-to-order, made in India, supplied to the world. So first, the listing. Our IPO included a fresh issue of 95 crores. We have used 55 crores of it to repay debt as set out in the offer document, and our borrowings now are about INR41 crores, roughly half of what they were in March '26.

Second, our international business export more than doubled in the half, driven by addition of Tempsens Germany and Tempsens Polaska, and by sustained organic growth in our key export

markets. We also added a new office in Ajman in UAE to serve customers across Gulf. Third, several products we spoke about earlier are now having a firm start.

High temperature wiring harness for OEM customers, standard furnaces for life science OEM customers, and our laboratory furnaces. The standard furnaces are now ETL and CE approved; all being supplied in the all the supplies are beginning in the second half of this year. Let me take you through all the 3 verticals, our export and our capacity expansion.

First of all, let us speak about temperature sensing. Temperature sensing revenue grew 57% in the first half to INR133 crores. It is now 53% of our product revenue. Part of this growth has come through the entities we have consolidated in this year. Organic growth in this vertical is about 25%. The organic growth is led by thermal power plants and other OEMs including CVD equipment manufacturer. And we are now ramping up dispatches of sensors for fuel cells.

Our order pipeline from the traditional business and the new OEM business remains firm and healthy. We also launched the Edge Series of non-contact pyrometers, a combined also a combined thermal and visual camera for temperature monitoring and surveillance.

Also, we are adding a brownfield plant of 50,000 square feet within Unit 1 for contact sensors, for the -- mainly for the OEMs. And this plant remains on track to be completed by Q3 of FY28, with a peak revenue potential of INR120 crores from this plant.

Coming to the second section, electrical heating. Electrical heating revenue grew 44% in the half to INR47 crores, led by significant oil and gas dispatches in India, Southeast Asia, and Middle East. Two milestones from the first half. First, we completed a major certification for furnaces for supplies to our life science OEM customers, which will the supplies of which will begin in the second half.

Secondly, these laboratory furnaces are now ETL and CE approved. With bulk dispatches starting from Q3 of this year. We are also adding capacity of about 25,000 square feet for custom-built large furnaces. Second important area in this field is mid-voltage heaters, where we see these are central for electrification of large processes.

We continue our expectation of certification by Q4 of FY27. The new plant of about 50,000 square feet within Unit 6 is on track to be completed by Q1 of FY28. The peak revenue potential of this new plant will be INR200 crores.

Also, we are in final stages of discussion with the automotive manufacturer for prototype contract for supply of AdBlue heaters for commercial vehicles, which these would be used for emission control. We see high sales potential in this application, and we will share more once the contract is finalized.

Coming to the 3rd part of our product offering, Specialised Cable. Specialised Cable grew in the 2nd half to about INR74 crores as the business recovered from a softer first quarter. We executed orders in thermal power plants, oil and gas in Africa, chemical in India, and supplies for our UL-certified high-temperature wire harness to OEM customers will begin Q3 of this year. We are cross-selling to them, to the same OEMs that buy our sensor.

Our oil and gas approvals in the Middle East are progressing well, and we expect, expect to open newer export markets with these approvals. Unit 8, our new cable plant, is on track for completing in Q2 of FY28 with peak revenue potential of about INR60 crores. Also, our 50-50 joint venture with Victura has signed an agreement to acquire a facility of about 80,000 square feet expected to be commenced by Q4 of this year, with peak revenue potential of about INR120 crores.

Now coming to export. So export revenue more than doubled in the first half to INR94 crores, which is about 37% of our total product revenue against 25% last year. Tempsens Germany and Tempsens Polska contributed alongside sustained growth in Southeast Asia and Middle East. Organic export growth is about 45%. Domestic revenue has grown about 12% to INR159 crores. We are also onboarding senior professionals from our industry overseas to strengthen our presence in the global market.

Now coming to capacity expansion. So we are adding 5 projects which are commissioning between FY27 Q4 and Q3 of FY28, with an aggregated peak revenue potential of about INR500 crores at full utilization. All 5 are on their announced timeline, and this is a potential and not a guideline.

With this introduction, I will be I will hand over to Priyanka to take you through the financials.

Priyanka Menaria: Thank you, Vinay sir. Good afternoon, everyone. All numbers which are shared are consolidated for the first half of FY27 against the first half of FY26. I will cover growth, margins, profitability, and the balance sheet and cash flow.

Revenue from operations for the half was INR255 crores, up by 33.7% from INR190.7 crores. Total income was INR259.4 crores, up by 33%. This number includes Tempsens Germany, Tempsens Polska, and Tempsens Measurement and Control, which was not in the base period.

Margin EBITDA for the half was INR54.9 crores, up by 11.9% from INR49.1 crores, at a margin of 21.2% of total income against 25.2% last year. Our gross margin of the first half was 45.7%, broadly in line with our full year level of 46% in FY26. Employee cost grew 41% to INR42.1 crores for main three reasons.

We are building teams for new capacity. We invested in strengthening our corporate structure for future growth, and we added the newly consolidated entities. Employee cost also includes an ESOP charges of INR1.1 crores against almost nothing last year. Other expense grew 37% to INR25.6 crores.

Profit before tax grew 11.7% to INR44.5 crores. Finance cost was late at INR2.5 crores. The full benefit of the debt repayment will show from the next quarter. Profit after tax for the half was INR35.7 crores, up by 18.1%. I want to be clear here, our tax charges includes the deferred tax credit of INR1.3 crores, relating to the tax benefit on IPO expense. This is one-time item.

On the balance sheet side, our IPO included a fresh issue of INR95 crores and net proceeds of the company were INR87.3 crores after issue expenses. We have used the full INR55 crores against the debt repayment, total borrowings as on 30th September was INR40.7 crores against

INR77.9 crores as on 31st March 2026 and our debt-to-equity ratio is now 0.06 times from 0.15 times.

Of the remaining net proceed INR7.5 crores is for capital expenditure in electrical heating and specialized cables and INR14.1 crores for general corporate purpose. Both were unutilized at the time of September 30th. Cash and working capital, our operating cash profit before working capital changes was INR50.7 crores, up by 16.2%.

Inventory grows by about INR28 crores in the half to INR139 crores to support the growth in our business. Receivables were slightly lower than in March at INR83.1 crores, even as revenue grew. Capital expenditure for the half was INR36.7 crores, of which INR26 crores was leasehold land for the expansion of specialized cables. The rest went into the plant and equipment INR5.9 crores and project under construction at INR4.8 crores.

With that, I hand back to Vinay.

Vinay Rathi: Thank you, Priyanka. So, we continue to expect revenue growth this year to be in line with the blended growth over the last 3 years and the first half is tracking ahead of this range held by entities we consolidated. On profitability, the first half carried our investment in people, capacity, and corporate structure, made us ahead of growth.

As supplies of harness cables and furnace starts and the OEM sensors ramp up in the second half, we expect the profitability to improve progressively. To sum up, in the first half revenue grew by a third, export more than doubled, EBITDA grew almost 12%, our balance sheet is stronger after IPO and several new products and projects being supply in the second half of this year. We see a strong second half now. We are engineered made-to-order, made in India, made for the world.

And thank you. We are happy to take any questions.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Naman Parmar from Niveshaay Investments. Please proceed.

Naman Parmar: Yes, good afternoon, sir. Thank you so much for the opportunity. So firstly, I wanted to understand overall, specifically on the gross margin side, like currently in the quarter, there was a very big bleed in the gross margin compared to previous year, right?

So what would be the reason for that? Even though your order book are for 3 to 4 months, right? So your major orders are at a fixed price, so raw material prices impacted and going forward, what do you expect similarly?

Vinay Rathi: Naman, the gross margins, if we see from the complete financial year last year, are near to that number, maybe about a percentage more than like complete last year's number. So overall, if you see in the complete financial year, it will be in line with the last year's number, maybe a percentage here and there. And we don't see any anything about the current fluctuation on the pricing because that is built up in the prices for the customers.

Naman Parmar: Okay, got it. So you expect that this margin is sustainable going forward and it will improve on?

Vinay Rathi: Yes.

Naman Parmar: Okay, secondly, on the, like, you mentioned about the fuel cell has been started, right, in the current quarter. So, how other product that you are tapping for that and where you are supplying specifically in the fuel cell, if you can elaborate more on that side?

Vinay Rathi: So, these temperature sensors are used in any kind of process. So, for controlling the temperature or knowing the temperature inside the fuel cell, so we are providing these temperature sensors. And so the supplies have started in the last 2 months and we are ramping up in the direction which is meeting the customer's requirement. And secondly, we are also now getting our cable harnesses approved for these customers to be supplied for the same customer.

Naman Parmar: Okay, got it. That sounds good. And lastly in the total revenue, how much would be contribution from the MRO if you can help me on that side?

Vinay Rathi: So the MRO business will remain as it was in last years. So our contribution to MRO business would be in the line what it was in the last years.

Naman Parmar: So around 25% to 30%?

Vinay Rathi: Yes, around 25%.

Naman Parmar: Okay. And if you can give the break up as well for the temperature sensor, heating solution, and specialized cable, how much margin that can be in all the three division. So it will be very helpful for us?

Vinay Rathi: So, Naman, we are not providing the margin break-up for the three divisions, but like overall, I would say that the sensors and the heaters would have a comparatively larger gross margins than the cable division.

Naman Parmar: Okay, got it. Yes, thank you so much for answering my questions.

Vinay Rathi: Thanks, Naman.

Moderator: Thank you. The next question is from the line of Abhinav from ICICI Securities. Please proceed.

Abhinav: Hi sir. Thanks for the opportunity. My question is on the revenue growth, right? So what I understand is we have existing products which we expect to grow steadily. And secondly, there would be contribution from the new products as well as capacity expansion that is undergoing, right?

So just wanted what is the revenue potential from these two vertical, that is the new capacity that we are expanding, as well as the new products that we are launching, the likes of Mid-Voltage heater quality?

Vinay Rathi: So, I would say, mostly it is the same products which we are trying to go to more number of customers. And secondly, OEM customers for the same product range. Mid-Voltage is a new product which you'll be launching mostly by the next year. And we would like there's a huge of the Mid-Voltage heaters, but like we don't have an exact number of our revenue percentage right now, because this product will come into our bucket only after the approval cycle is complete and we would be having it in the next financial year.

Abhinav: Okay. So, my second question is on the employee expense, which have increased in the last couple of quarters. I understand that there will be, I mean, there have been certain employees that have been hired and the revenues will flow in subsequent quarters. One, do we expect the expense to be at this level and by when exactly we can see some benefits of this if you can just give us a timeline as well?

Priyanka Menaria: Yes, Abhinav. So, we are continuously ramping up our capacities and increasing the capacity and also the manpower against to this capacity. So in the next half year, we will see the absorption of those expenditures towards the revenue and from next year, it will be completely absorbed for the particular this year expansion.

Abhinav: Understood. And on the interest expense side, since you have mentioned that the debt has been repaid from the IPO proceeds, what would be the run rate interest on a quarterly basis going forward?

Priyanka Menaria: Like, half -- but like, you can expect at least 1% increase in the profitability due to the finance cost impact. It will be reduced.

Abhinav: Lastly, on the electric furnace part, are we seeing some impact of the ongoing conflict? Do we see some things improving going forward particularly on the electric furnace segment?

Vinay Rathi: So electric furnace, we got our ETL approval which is equivalent to UL approval and also the CE approval which is IEC approval. So now, the supplies are starting to this life science customer and the ramp up is taking place, like we made the first supplies in October and it will be ramping up to its potential by March.

And secondly, we are also building up another capacity for the larger furnaces, which are not standard furnaces, but for larger process furnaces. So, we see furnaces to be a substantial part of our revenue in the next year.

Abhinav: Understood. Thank you, sir. I'll join the queue if anything more. Thank you.

Vinay Rathi: Thank you.

Moderator: Thank you. The next question is from the line of Pratik from Union Mutual Fund. Please proceed.

Pratik: Yes, thanks a lot for giving the opportunity. Many congratulations, Vinay ji, Aryan for a good set of numbers. My question was on the opportunity on the fuel cell business side. So how meaningful can this business evolve into for us over next 2, 3 years considering there is a lot of

demand in the US and the globe for this sort of a technology? What sort of order book or visibility do you reckon we can have over next 3, 5 years' time?

Vinay Rathi: Yes, Pratik, this OEM business is getting a significant part of our business and we expect this OEM business, either from fuel cell or with this emission control kind of jobs that we are doing, to be about 15% of our revenue in the next year to come.

And specifically talking about fuel cell, so we are ramping up to meet the customer expectations, so we have got orders for almost a year from the customer, and so this is what we see. And once the ramp starts up, it will be a substantial business for us.

Pratik: Got it. And second, you mentioned briefly on a new potential you're working on a new business on the CE customer and you mentioned also thermal side, a lot of traction may come through over time. And considering the opportunity on the oil and gas because of the Middle East where there is a lot of refineries getting disrupted etcetera. So in this sort of verticals, power, specifically thermal and oil and gas and this new opportunity how should one track this like, in terms of opportunity for us?

Vinay Rathi: So we have a good chance of the traditional industries where we are serving, which are heavy industries power, oil and gas and all these kind of industries. And once this disruption because of political situation in Middle East gets a little bit resolved, we see a huge potential would be there for attempting for additional opportunities in these markets. So that is one.

Secondly, the OEM market is becoming very important for us. So that started with this, uh, fuel cell kind of thing supplies for the temperature sensors. Also now we're getting the cable harnesses for this customer. Then this life science opportunity what we have for supplying furnaces.

And a third major OEM opportunity also is there with our joint venture with Victura, supplying the emission, like emission heaters for the exhaust for again commercial vehicle and coming in the same line we are also working on a huge opportunity on the add-in heaters, which is again for commercial vehicles for emission control.

So that is still in a prototype stage and it will take about a year to materialize. So we see that these OEM opportunities would become a substantial part of our total offerings other than the heavy industries project and the MRO business, what we are doing currently.

Pratik: Got it. So will I be considering so much opportunity lying ahead and revenue growth momentum being really strong for us and the way we are putting capex as well. So whatever front-loading of cost we are seeing in the first half higher because gross margin are holding up pretty well, it's employee cost and other expenses which been front-loaded. So hopefully logically it should get normalized in a couple of quarters and that 24%, 25% margin run rate which we were doing earlier should be back. Is my understanding correct?

Vinay Rathi: Yes, that is correct, Pratik. So overall we'll be coming to the similar margin, but some of the entities also what we added were having higher manpower cost. But blendedly it will come to

the same consolidated margin what we were having in the previous years, almost in the same side.

Pratik: Understood. Thanks a lot. Wish you all the best and a Happy Diwali to you. Thank you.

Vinay Rathi: Thank you. Happy Diwali to you.

Moderator: Thank you. The next question is from the line of Arvind Arora from GK Capital. Please proceed.

Arvind Arora: Hi, thank you for the opportunity. So could you please share the current capacity utilization and what is our mix on standard and non-standard product?

Vinay Rathi: So, Arvind, our capacity utilization would be close to about 80% and like what we do is completely make-to-order. So exactly, we cannot give an exact capacity utilization. So in general, we can say that it is about 80% capacity utilization. And can you repeat like today most of what we do is make-to-order and the standard products are now getting in because of this OEM business, which is very much standardized. And also, we have got greater visibility for this OEM business, but most of that we do I would say that 95% of what we do is make-to-order as on today.

Arvind Arora: Okay. And the OEM order you will extend after you confirm the order, correct? As of now, we are saying it's you are still under discussion. Is my understanding correct?

Vinay Rathi: No, as I told you the sensors for the fuel cell is confirmed, for the life science is confirmed also. Also, our joint venture with Victura has a confirmed order for the exhaust temperature exhaust heaters. So these are all confirmed OEMs, but we are in a very close discussion like we already have also orders for the cable harnessing for this fuel cell and we are in almost close discussion for the AdBlue heater OEM. So most of the orders that we told are already with us and like the ramp-up is taking place.

Arvind Arora: What is a current order book?

Priyanka Menaria: Like for traditional business the order book is approximately 3 to 4 month and for the OEMs, we have visibility approximately 1 years or 2 years.

Arvind Arora: Okay, understood. And what's our plan on R&D spend like what is our budget for the year and where we are focusing? If you can explain that part as well, that would be helpful? That's all from my side?

Vinay Rathi: So R&D remains the main focus area. So as we already told earlier that we have got today about 80 people working in R&D. Constantly, we are adding on IP and the major part what we are working on is first is thermal, second is mechanical and the third is the electronics. A major delta item what we see on the R&D side is the development on the non-contact temperature sensor, which is already developed, also the thermal cameras and that side for industrial segment. And the second major delta what we see would be created by the mid-voltage heater, which has got a TAM of almost, uh, close to maybe US$600, US$800 million TAM. So that's a big area that we can attempt.

Arvind Arora: Okay, understood. Thank you.

Moderator: Thank you. The next question is from the line of Neel Mehta from ICICI Securities. Please proceed.

Neel Mehta: Good afternoon, sir. Thank you for the great set of numbers. My question is simple. Can you speak on the TAM opportunity of the new how is it different from what other auto ancillaries radiator companies are doing? And can you also I remember you mentioning something in a TV interview. Can you also speak on that opportunity?

Vinay Rathi: Neel, can you please repeat the question because you skipped a few points?

Neel Mehta: So my question is.

Vinay Rathi: Neel?

Neel Mehta: Hello, am I audible?

Vinay Rathi: Yes, can you please repeat?

Neel Mehta: Yes. My first question is so the auto OEM opportunity that we are doing with the commercial vehicles. How is it different from any other radiator company that an auto ancillary company is doing?

Vinay Rathi: Yes, so the thing is we are making like what we are doing is temperature sensors, electrical heater, or specialized cable. So this automotive requirement is for a specific heating cable which is used in the exhaust for reducing the emission which is going out of a commercial vehicle when you're starting the vehicle.

So these are as per the newer emission norms which are yet to be enforced. So the opportunity is different from a radiator or any other manufacturer. We are only tapping in opportunities where these kind of electrical heating or sensing or temperature sensing opportunities are there.

So one of the opportunities what we already have today and what we found a joint venture is for the heaters for the exhaust. So that is already done and we have got a long-term contract together with our joint venture partners to supply to this commercial vehicle company.

And the second opportunity that I told that we are working on is for the AdBlue heaters that we are working with a European company to like right now it is in the prototype stage and once that is finalized, this could turn out to be again a larger opportunity, almost the same size as the exhaust heater opportunity.

Neel Mehta: Got it, sir. Got it. Very clear. And sir, something on Texas Instruments JV that we had mentioned in quarter 1, something to add on there?

Vinay Rathi: So there's no JV with Texas Instruments. We have a JV with Micro-Epsilon for infrared pyrometers and industrial thermal imagers. So that JV is very much there. The newer products are already developed. So we are in like in the final stages of transferring their products to be

supplied from this joint venture. So it is in the final quality stage to be approved by their quality system.

Neel Mehta: Got it, sir. Got it. Thank you so much.

Moderator: Thank you. The next question is from the line of Gaurav from JM Financial. Please proceed.

Gaurav: Hi sir. Thank you for this opportunity and congratulations on good set of numbers. My question is particularly for quarter 2. So specifically, gross margins they have come down in this quarter. Now, as you said I believe that company will be able to manage that gross margin similar to what we have seen in FY26. But particularly in this quarter, can you highlight was it because of fluctuation in raw material prices or was it a strategy to pile up inventory because of which we are taking a little bit of hit on forms this quarter?

Priyanka Menaria: Yes, hi Gaurav. Gaurav, in this particular quarter, we see new joint -- these new acquired entities also merge so that's why for this entities have a lower cross margin comparative to the Tempsens India which we have standalone. So that's why a little higher is there and also in the last year in last FY26 half year we have executed one of the defense order, the big defense order on in which the gross margin is very high. So that's why in this particular year, FY27 half year, it's like increasing the gross margin and it will recover once the dispatches of our heater businesses and these furnaces business grew. So it will be gradually come down.

Gaurav: Okay, that is clear. Thank you so much.

Moderator: Thank you. The next question is from the line of Arnab Bhattacharjee from an Individual Investor. Please proceed.

Arnab Bhattacharjee: Hi, team. Am I audible?

Vinay Rathi: Yes.

Moderator: Yes, sir.

Arnab Bhattacharjee: Yes, I had a few questions, two questions rather. The first question that I had was I want to understand how you guys are emitting the temperature data. Is this on the internet, internet of things or is this just an old traditional way of someone looking at the temperature from your temperature sensor and then taking a manual step or are there software triggers?

Basically, how do I take an action when I see the temperature is high enough? For example, let's say for fuel cells, there'll be lots of fuel cells that is powering our data centers. I don't think there's a manual action there. So someone has to consume the data which your device is emitting and then take a follow-up action, either turn off the heat, lower the voltage. So I wanted to know how that part of the integration happens. Is your team into it, or it's on the consumer to do it?

Vinay Rathi: So, Mr. Bhattacharjee, the thing is these temperature sensors are part of an automation system, instrumentation automation system. So what it does is it supplies this signal, electrical signal to automation system, which would be a PLC, DCS or a controller, which then would control the

heat source which could be a heater or which could be a furnace, oil, or it could be any other fuel.

So it's part of an automation system and this automation system is not what we do normally, but in some cases, we supply these automation systems. For example, when we are supplying them to the furnace, so we supply the sensors, the automation system, and the heater. So that's the complete thing what we supply.

But most of the cases, most of our supplies in either sensors, those kind of specialised cables or even the heaters. We supply these components and they would go to be a part of the automation or electrical system of the customer or any other EPC or project supplier.

Arnab Bhattacharjee: Understood, sir. Thank you. The second question is, I think – we -- you want to call yourself, R&D-enabled manufacturing team, right? I saw that you guys have a significant concentration of employees who are contributing towards R&D. I wanted to understand firstly, which divisions they're catering to. Is the entire R&D team working on thermodynamics, or is there a blend of different engineering divisions?

And the second thing I wanted to know, okay. How do you split your R&D team between the people who are working on adjacencies, improvements, efficiencies and new products? Is there a split? I mean, a theoretical split is enough. How that shows. I just want to know, okay -- how the future of the company is shaping. Are you guys trying to get into newer products which are more complex with higher gross margins? Or we are just trying to work on top of what we have? That's the base of -- basis of the question. Yes, thank you.

Vinay Rathi: Yes. So, Mr. Bhattacharjee, the thing is, as I told you, we are working in three major domains, electrical heating temperature sensing and specialized cables. So, all over R&D team is focused towards three divisions and they are technology agnostic. So, we are people who are expert on the thermal side -- people who are expert on the mechanical, metallurgy side. And the third thing is the electronic side.

So, blending of these 3 technologies would result in a particular product or enhancement of a particular product. So, we don't have exact number of how much would be on enhancement and how much would be a new product. So, as the I told you, the major delta items are this mid-voltage heaters where there are very limited number of players on the world market.

And obviously Once those are already proven in our lab, and once it is approved with the agency -- with the certification, and then it could have a larger delta for the company. Similarly, the infrared pyrometers and the thermal imagers that we are doing, so that would also create a larger delta for the company, and that is true for the other products as well.

Arnab Bhattacharjee: What is the application of this mid-voltage heaters? Which systems do they go into?

Vinay Rathi: So, they are used for electrifying larger processes. So right now, we have got low voltage heaters which can be powered at 690 volt, but now we are working with heaters which can be powered, up to 6.6 kilovolt. So, they can power up processes even up to 20 megawatt, and right now we are doing up to 3 megawatt. So larger processes can be electrified and this is the need of the hour

for a lot of standard industries like petrochemical industries, or also for the newer industry for energy storage, carbon capture. So that's a huge application, electrical boilers, that we can cater to.

Arnab Bhattacharjee: Thank you, team. That's all from me, and congratulations and all the best to you guys.

Moderator: Thank you. The next question is from the line of Naman Parmar from Niveshaay Investments. Please proceed.

Naman Parmar: Yes, thank you so much for following up. Just wanted to understand on the TAM side only, if you can help me understand about the opportunity size for this -- all these 3-4 industries that you are going to tap going forward. And how much percentage of the revenue would be contributing from this -- your automotive, life science part, the fuel cell part, and the battery energy storage? So, if you can help me understand on TAM and the revenue percentage going forward, it will be very helpful.

Vinay Rathi: So, the TAM on the automotive side This could be a pretty large number, especially for the commercial vehicle, because that is not -- that is still in the increasing trend. So, the global market size we have got for the totality, not exactly for a particular segment, and we have got the totality for the electrical heating cables and sensors, but per se specificity for fuel cell and also for automotive specificity we don't have an exact time TAM number as of now.

Naman Parmar: Okay, got it. Okay, thank you sir.

Moderator: Thank you. The next question is from the line of Suraj Jain, an Individual Investor. Please proceed.

Suraj Jain: Hi sir, thank you for the opportunity. Just want to know How this customer base is going to change after the capacity expansion and across oil and gas industry and power industry?

Vinay Rathi: So, Suraj, what we are trying to do is we have our traditional growth engines which are the heavy industries, be it petrochemical, power, glass, all those kinds of industries. And then on top of it, we have got a lot of OEM customers that we are trying to add.

So overall, what we see is that within the next 3 years, we would have 80% traditional customers and maybe about 20% would be these kinds of OEM customers which have got a larger visibility, a standard product. So that would be the blend what we see as of today.

So right now, all the products that we do are made-to-order, specialized for the customer. But we see that this would be about 20% of what we do, and I'm sorry -- 80% of what we do, and 20% would be the standard products.

Suraj Jain: So, I can say in power, your major is power industry and cement industry and all those things. So capacity is going to come under this major industry only, going to cater this major industry only.

Vinay Rathi: As I told you, 2 parts. So, it will be covering all these industries plus the OEM parts. So, OEM could be from multiple industries. So, we have categorized heavy industries, which is our typical

customer base cement, steel, power, petrochemical. So those are our standard customer base. So, we are expanding not just in India but worldwide with these set of customers. And we are adding on top of it a lot of OEM customers.

And these OEM customers are coming to us because of the scale what we have because of our backward integration. And third is also the, China Plus One is also playing out after this political scenario is changing. So, people are also looking on diversifying their supply chain and taking India very seriously to be a serial supplier for their needs of engineered products.

Suraj Jain: And one more question, how much the incremental revenue is getting from the Germany and Poland acquisition, and if these are profitable or not?

Vinay Rathi: So, these are profitable entities and the incremental revenue would be about?

Priyanka Menaria: Yes, incremental revenue from this entity is approximately INR25 crores-INR26 crores.

Suraj Jain: INR25 crores-INR26 crores. And whatever capacity expansion we are getting, it is within India only, no other capacity expansion outside India?

Vinay Rathi: No, we are doing capacity expansion in other areas also. So, we just added a sales office in UAE, and also in Poland and Mexico we would be doing the capacity expansion.

Suraj Jain: So, do you think this export market is going to increase at the same pace as currently we are having 50% sales we are getting from export? So that pace is going to increase?

Vinay Rathi: So that pace one, it has increased because of the addition of these new geographies which -- within the company. And we are also adding a lot of people on the export side, so we think that both India and the export market would grow, and typically you'll be having the similar blended export gain what we are having today, or maybe it will move towards more export side.

Suraj Jain: Okay, I can see currently that inventory has increased around INR140 crores, and can I expect working capital requirement going to increase for the business expansion?

Vinay Rathi: We think that the working capital, in terms of number of days, would remain constant. And obviously in terms of the absolute number, it would grow, but in terms of number of days of working capital cycle, it will remain in line last year.

Suraj Jain: Okay, I guess my last question, who are the major competitors globally and do we have any pricing pressure from Chinese manufacturers?

Vinay Rathi: So, we don't have any competition specifically, till now because these are specially engineered and low volume production as of now. But as we get into more OEM customer base, there would be Chinese competitions. We have got competition in each of the countries where we are present, so it depends on country to country. country where those competitors would be there.

Suraj Jain: Thank you, sir. I'll be back in the queue. Thank you for the opportunity.

Vinay Rathi: Thank you.

Moderator: Thank you. As there are no questions from the participants, I now hand the conference over to the management for closing comments.

Vinay Rathi: So, thank you all for giving an opportunity. So, we see a very positive outlook and good growth in the company. So, wish you all a very Happy Diwali and festive season. Thanks for your time.

Moderator: Thank you very much. On behalf of ICICI Securities Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.