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August 13, 2026
SEL/SEC/2026-2027/26

BSE Limited **Department of Corporate Services** **P. J. Towers, 25th Floor, Dalal Street,** **Mumbai- 400 001** **Ref: 532509**	**National Stock Exchange of India Ltd** **Exchange Plaza, C-1, Block-G,** **Bandra Kurla Complex, Bandra (E)** **Mumbai- 400 051** **Ref: SUPRAJIT**

Dear Sirs,

Sub: Investors Q1 FY 27 Earning Call Transcript.

The Transcript of the Investors Earning call held on Friday, August 7, 2026 is enclosed herewith.

The Transcript 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

Digitally signed by Medappa Gowda J
Date: 2026.08.13 14:55:03 +05'30'

Medappa Gowda J
CFO & Company Secretary

Encl: as above

"Suprajit Engineering Limited
Q1 FY27 Earnings Conference Call"
August 07, 2026

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

MODERATOR: **MR. MUMUKSH MANDLESHA ANAND RATHI SHARES AND STOCK BROKERS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Suprajit Engineering Q1 FY '27 Earnings Conference Call hosted by Anand Rathi Shares and Stock Brokers. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

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

Mumuksh Mandlesha: Yes. Thanks, Shruti. On behalf of Anand Rathi Shares and Stock Brokers, I welcome you all to the Suprajit Engineering Q1 FY '27 Results 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.

I 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.

K. Ajith Kumar Rai: Thank you, Mumuksh, and good morning to you all. Greetings from Suprajit. Thank you for joining us for the Q1 call. As you all know, the Middle East conflict, the oil and commodity prices, trade restrictions and shipping disruptions continue to be in play. Global automotive and non-automotive business have been not growing. They also stayed muted. India had a very good quarter in terms of the automotive numbers with the sector growing at about 22% and both passenger vehicle and 2-wheeler segments had a solid double-digit growth.

From our point of view, I think our team will talk briefly about how we performed. But on an operating level, I think we have had an exceptionally good quarter. Consolidated revenue grew up by about 24%. EBITDA was up by nearly 57%.

We had the highest ever quarterly operating revenue of INR1,070 crores in this quarter. Stand-alone margins came under pressure, and Mohan will be walking through that as to what happened and how it's going to be a temporary phenomenon for us. And then we will take on the questions after all our briefings done from our team.

First of all, I'll hand over to Medappa for a brief financial detail. Medappa?

Medappa Gowda J.: Yes. Thank you, sir. Good morning, everyone. The consolidated revenue for the quarter ended June 2026 was INR1,070 crores as against INR863 crores for the corresponding previous year, recording a growth of 24%.

The consolidated operational EBITDA for the quarter ended June 2026 was INR129 crores as against INR82 crores for the corresponding previous year, recording a growth of 57%. The stand-alone revenue for the quarter ended June 2026 was INR470 crores against INR390 crores for the previous year, recording a growth of 20%.

The stand-alone operational EBITDA for the quarter ended June 2026 was INR60 crores against INR61 crores for the corresponding previous year, recording a degrowth of 0.3%. The total debt level was INR776 crores as on June 2026. Surplus cash balance was INR243 crores as on June 2026 invested in the mutual funds and bonds. For further queries, you can connect with me even after the call. Thank you very much.

K. Ajith Kumar Rai: Mohan?

Mohan Nagamangala: Very good morning. Thank you, Medappa. So let's start with the Global Cables and Mechatronics, what we call it as GCM now, which used to be formerly called as SCD, Suprajit Controls Division. First of all, the revenue went up by 27% almost 28% and EBITDA moved very smartly from 5.8% to 12.6%. This has been an outcome of the global restructuring that we had been explaining over the last few quarters. Thank you for all your patience, and we are finally seeing the results here.

GCM continues to work with our customers and also with some of the governments for a fair recovery of the tariffs, particularly in U.S.A. And we have certain VAT recoveries in China, Canada and Germany, which was a part of the acquisitions that we had done there.

In terms of new business, we are ramping up new projects, both in China and in India. China, we have one of the largest OEMs that we are now working with, and we are going to launch the product with them is the Chinese OEM.

And again, in India, we are launching quite a few lines and products for a large U.S. OEM who is specifically looking to building a resilient supply chain as they describe it. These are all driving good volumes at the GCM. This quarter was very strong for new business wins also, and we have recorded business wins across India, Mexico, China, which I think is showing the customers' various preferences, particularly with the kind of global footprint that we have today.

With this, I move to India. And before I get into the specifics, let me just talk about something in general. First things, I think we need to recognize that we have strong headwinds that has hit us not in terms of the market itself, market is doing good, but the raw material prices are really gone sky high.

And to compound with that, what we have had is an increase in employee costs. So, this happened, as you know, in the NCR region, all those unrests happened and the elections happened. Therefore, we had a lot of migration of labor going back to their vote to vote in their constituency. Therefore, these were the kind of headwinds we faced.

While we have mechanisms with our customers to tackle with the material cost increases, employee cost increase has been a different angle for us. And for the first time in many years, we have approached the customers to pass this on to.

And quite many customers understand this pain point and some of them have already agreed to make payments. I'm sure that we should be able to see a reason in the industry and make good of it neck of the productivity measures that we are going to take.

Having said that, let me start now with the specifics. Now I move to India Cables and Mechatronics or ICM, which we used to call it as DCD earlier. Revenues went up by almost 21%. This is broad-based. If you look at it, OEM, aftermarket, everything put together.

But EBITDA grew only by 4.2% with the margins down from almost 15% to 13%. This was primarily due to the cost pressures that I mentioned to you. In our opinion, this is very clearly a timing problem. We haven't yet passed through all these raw material and wages increase to the customer. And the process will get completed in the coming quarter and the margins will recover.

Our braking products, we are moving very well. And on a small base, a smaller base, but on a long journey, it always starts with a small step. The CBS revenues went up by 110%, brake shoes and brake pads went up by around 80%. So, I think it's a good start in our braking area.

Moving over to Phoenix Lighting and Electricals or PLE, what we used to call as PLD earlier. Our revenues went up by 5.4%, but EBITDA went down by 45%. Margins went down 2.8% to 6.7%, primarily due to delayed price increases and in particularly in the aftermarket business.

And new prices are now in effect, and we expect a recovery going forward in Q2, Q3. Trifa sales in Middle East still remains soft. And on a positive side, we have started ramping up deliveries to one of the largest retailers in the U.S. who awarded significant additional business. So, overall, while we look at a damp results in Phoenix Lighting and Electricals, we look at that brightening going forward.

With this, I'm going to hand it over to Akhilesh to take us through Sensors, Electronics, Displays and Technology sector. Over to you, Akhilesh.

Akhilesh Rai: Yes. Thank you, Mohan, and good morning, everyone. From the Sensors and Electronics and Displays division, it had a very strong quarter. Revenue is up 48%, EBITDA up 100%, margins close to double digits. This is because of a lot of new projects that ramped up very well in the quarter and will be continuing to ramp up. A lot of strength is in the digital clusters and electronic throttle grip area where that is driving the growth of the business.

We also have a very good pipeline of new wins, which is why we are now on a war footing, expanding capacity of our Electronics division to cater to this increased demand and our pipeline. SED has also picked up a lot of good awards worth noting.

Firstly, from Mahindra, Last Mile Mobility, we got an award for our extraordinary efforts in ramping up the throttle supplies that we had this year. This is all because of the rare earth curbs that were put on India, and we had developed a rare earth-free throttle. So they had to very quickly move to Suprajit and that ramp-up was extremely difficult this year, but we managed successfully, and we have now won further businesses with Mahindra.

Similarly, we also on operations, continue to have excellence in operations as well, and that's shown with the ACMA Manufacturing Excellence Award, which SED won this quarter.

Coming to STC because SCS is now part of GCM, so I won't be covering it. It is already covered with Mohan under GCM. So, coming to STC, it, of course, is our R&D engine, continues to support a lot of projects, including the ABS and sunroof cable projects, which are now progressing towards progressing well.

And STC and ICM have jointly picked up the Ather's Most Innovative Supplier Award, really showing the kind of capability that we are building as a true technology provider in India. The new STC building is on track now for completion in Q3, and we would look forward to hosting our investors there sometime.

General updates, I think we also have won a lot of good awards from Bajaj JIPM TPM Excellence Award. TVS Motors gave us a Platinum award for our TPM process as well. And those show that we continue to have great support from all our customers, whether it's ICE or EV.

So, with that, over to you, Chairman.

K. Ajith Kumar Rai: Thank you, Akhilesh. Just to sum up, I think the GCM restructuring is completed and the numbers of the quarter clearly show that the restructuring has yielded the right results for us. ICM and PLE margin pressure, as Mohan has explained, it is a timing issue and a price pass-through, and we expect that to be recovering well in this and the next quarter.

The guidance we gave, I mean, despite all these things, the guidance that we gave in our press release dated 25th May 2026, still holds for the year. I don't think there is any concern on meeting the guidance that we have already set out.

Thank you all for joining. Now I hand over to Shruti at the Chorus to start organizing the call and the questions. Thank you.

Moderator: The first question is from the line of Viraj from SiMPL.

Viraj: Congratulations on decent set of numbers in a very volatile environment. Just a couple of questions. First is on the GCM. So if you look at the consol numbers also and the segmental which you gave, the margin which we earned this quarter, was there any one-off in terms of write-backs or any FX element in this?

K. Ajith Kumar Rai: In operational result, there is no. Operational performance…

Viraj: So in the Global Cables...

K. Ajith Kumar Rai: Yes. GCM, whatever the operational number that we have set out, there isn't anything that is a one-off number in that. I mean, there may be small one-offs, but nothing that is material, no.

Viraj: Okay. Because if you look at the consol margin if you look at the consol gross margin, contribution margin for us, we have seen a very healthy expansion given this is despite the pressure we have seen on the RM and the stand-alone of the India business and also considering that the overall raw material environment has been very inflationary. So despite that, we've seen a very healthy gross margin in the consol. So I'm assuming that in the subsidiaries of the global business, we've seen a very healthy expansion in contribution margin. So I'm just trying to understand what is driving this?

K. Ajith Kumar Rai: I think one is please understand the restructuring has made our operations very tight. And it is much leaner now compared to what it was earlier. That is number one. Number two, there is a top line growth of whatever, 20-plus percent. Now automatically, when the operations are tight and lean and efficient and the top line grows, it automatically drops into the gross margins.

Please also note during the course of last year, we have initiated quite a few cost improvement projects within the group globally. So that also has had its effect. So there is nothing one-off in this actually. So, improvement in margins, yes.

Viraj: Okay. So this margin of 12%, 12.5%, which we earned this quarter, this is what should broadly sustain?

K. Ajith Kumar Rai: We did mention about 10.5%, I think 10.5% to 12% was what we said in the beginning of the year. At this moment, it is at about 12-plus percent, but I will still stick to my guidance that we have given for GCM at whatever, 10% to 12%. Again, it depends upon the product mixes as we go forward. So new projects are getting launched. So we have to actually see how the margins are. That 10% to 12% at GCM is very much on the cards. Right now, it is on the higher side, a little bit, yes.

Viraj: Okay. And the second question was on the India business. See, I understand there was a raw material impact and the wage inflation. But typically, do OEs, they do give the escalation from the wage impact? Or do you see any continual impact of that in coming quarters?

K. Ajith Kumar Rai: Honestly, we are in discussion with the customers. I think the pass-through of materials is not an issue. Pass-through of wage increases, which has been significant, particularly in the northern region is pretty significant. I think customers understand us our view. Some of them have agreed to pay. Some of them are still dally.

So that's why I said it takes one or two quarters to convince this part of the increments. But having said that, we are also working on a lot of cost reduction within the organization. So my view is that by Q2, Q3, let's say, latest, we should be recovering most of that lost 100 basis points here and there on the wage.

Moderator: The next question is from the line of Anubhav Mukherjee from Prescient Capital.

Anubhav Mukherjee: Sir, congrats on a great set of numbers. Sir, my first question is, will it be possible to share separately the revenue contribution and EBITDA margin for SCS in Q1?

K. Ajith Kumar Rai: No, we have very clearly said last year itself, end of the year, even when we acquired itself that the SCS will be separately disclosed for a year till March this year, just to show how the progress we have done post acquisition. And once and that it will turn EBITDA positive. And once that is done, we have said that we are going to combine that in global cables and mechatronics.

The reason is simple. they all work in tandem with each other. Now the names of SCS, LDC, Wescon, they all vanish from the scene. They are all acquisition entities, acquisition names. Today, GCM operates as a single entity as far as we are concerned. There are entities within GCM, which will disclose their numbers end of the year, which you'll get to see.

But it has got no meaning actually because the way we have restructured it in such a way that the LDC entity has been aWescon entity has been shut down and merged with the LDC. SCS in Germany has been restructured. The warehouse of SCS has moved to old LDC. There are so many things have happened. So separately disclosing has got no meaning anymore, which you have explained earlier con calls also. So it will be under GCM.

Anubhav Mukherjee: Got it, sir. And sir, the very strong revenue growth of 28% in GCM. Can you share some perspective on like what kind of growth you expect for the rest of the financial year in GCM yes?

K. Ajith Kumar Rai: Let me. Also let me clarify a little bit. I think the second tranche of SCS Canada and China happened in May. So we didn't have the revenue of April and May of the second tranche of SCS last year.

So actually, optically, the number of 27% I must state that is not entirely right. I think if you offset those two months revenues, the growth is around 23% or so actually because the acquisition completed end of May last year. So that slight variation is there. Having said that, it's still a very good growth.

What we are seeing from at least a month number that we see as of July, it is still very strong. August is a month where, of course, it's the same thing for last year also is a month of holidays in Europe and most of the places. So revenues are whether the revenue growth will be there or not compared to first quarter, I do not know. But compared to last, still strong double-digit growth for this quarter also for GCM.

Anubhav Mukherjee: Okay. Sir, my last question is the other income for Q1 compared to Q1 last financial year, that has seen a sharp drop. So can you the composition, yes.

K. Ajith Kumar Rai: Yes, the composition there are multi. I think there are so many things, but I will summarize this way. There are a few elements in it. One is restatement of our, let's say, loans across our divisions, it gets restated. We have quarter end creditors and debtors, which is in different, different currencies, that gets restated. There is also forward covers that we have made.

There is a certain portion of the forward cover, which does not go through the balance sheet. It comes into the P&L. And there is also some other income that accrue. For example, last year, we had some subsidy came into Morocco, which is not there this year.

So these four, five elements, if you see last year from the beginning of last year to end of the last year, the dollar rupee dollar, rupee, euro, all was very positive in terms of change. That's why you saw a large number end of last year. Since March now, it is more or less stable. So that fluctuation isn't there. So there is no delta there. That's why that amount for the first quarter is much smaller.

Anubhav Mukherjee: That. Sir, my final question before I get back in the queue, sir. In the SED division, can you share some light on like what is driving the growth? And is it like mainly driven by the digital cluster business? And what kind of new business wins are we getting in that?

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

Mohan Nagamangala: Sure. Well, we need to break it down into three major product groups. One, I would call it as display systems, that is instrument clusters. Second one, I would call it as actuators and sensors. And the third one specifically within sensor, it would be the throttle position sensor or TPS as we call it.

So on all the three accounts, we are seeing growth. We are seeing growth happening. And it is not just across one customer. We have got a couple of customers. In fact, if there is one problem, and it's a good problem to have, this month and next month is multiple launches. I'm facing about six launches in my plant with various customers. Therefore, is it a problem? The answer is yes, but it's a good problem to have. So are we gaining traction on all these product groups? The answer is yes, with multiple customers.

K. Ajith Kumar Rai: And to add to what Mohan said, just as a matter of general information, I think July has been an exceptionally good month at the Electronics division clocking the highest sales. And I think the trend seems to be continuing at the moment.

Moderator: The next question is from the line of Rakesh from Axis AMC.

Rakesh: Congratulations, sir, on a good set of numbers. I think some good delivery from last four to eight quarters, what the efforts we have taken. Now sir, looking at your presentation, the FAQs clearly highlight one thing that our product portfolio today do not cater the EV powertrain in a very significant way, while the market is moving in a direction, at least in 2-wheeler 3-wheelers and PVs, where currently, a large part of the growth is being driven over there.

So how is the management thinking in terms of catering to this journey of EV right now? I mean, organically, how are we placed? And I mean, if I missed out any of your products, which are not there in presentation? And how should we think about our participation in this growth phase of EV?

K. Ajith Kumar Rai: I will ask Akhilesh to answer this. Akhilesh, on our EV journey and what we are doing and what are the products that's going in?

Akhilesh Rai: Yes, sure. So of course, we are very much and very deeply involved with the EV, with many EV customers. I would say EV has been a great driver of our growth, especially at SED, but also in our ICM division. So I understand your question is just around the drivetrain. We don't specifically look at the drivetrain itself. But we look at very agnostic products that will support EVs and non-EV programs.

Please understand that just like an EV as to a drivetrain makes a vehicle go forward, we also need to stop that vehicle. So our focus has been on the stopping side and looking at braking as a key technology going forward. because EVs, just like the drivetrain has changed, also the requirement of the braking is changing. And we are in the right place at the right time with a lot of good technologies in braking to support this change.

And I think that's why, for example, Ather has given an innovation award and they gave us their key braking system products. It is because of this kind of knowledge and technology that we are building.

And I think Ather, as you know, is well renowned technology name in the EV industry in India. And similarly, we supply to all the new age EV brands for some of our products. I mean it depends on whether it's clusters or actuators or braking products or even our core cable product. We are still supplying to practically all the EV players in India.

Rakesh: Sure. Can you help us how the content of braking or actuation products would have? Or is it how different it is for EVs versus ICE in whatever customers we are catering to?

Akhilesh Rai: The content per vehicle for the most part is the same in terms of EV versus ICE, but because we're going from our core product of INR100 cable to a product of braking, which could be anything from INR400 CBS to INR1,500, INR2,000 brake systems or from speedometer cables to digital clusters, which can again span from INR700, INR800 to INR7,000 depending on the cluster.

So each of our product lines are increasing by at least 3x to 4x, 5x in terms of price that we sell to our customers. But in terms of whether EV and ICE, there is no real difference. I mean the EV or ICE could pick any of these products going forward.

K. Ajith Kumar Rai: I think just to add what Akhilesh has said, I think it's important to understand between ICM and SED, both are in the significantly in the 2-wheeler kind of space. If you add them together, the kind of growth we had is ahead of the automotive industry growth.

So what I'm trying to say is that a couple of years ago, we have sort of said that some part of our cable portfolio may become or changed over to something else. But at the same time, we have said our content per vehicle will increase. We still hold the same view, whether it is ICE, whether it is EV, our overall content in the 2-wheeler per vehicle, I think it's only increasing as we see it now.

Moderator: The next question is from the line of Gokul Maheshwari from Awriga Capital.

Gokul Maheshwari: I just have a couple of questions. So one is on the GCM business. Is there an element of ForEx, which would have come in with respect to enhancing your growth rates? Or if you could just provide what could be a constant currency kind of growth rate which we would have experienced in Q1?

K. Ajith Kumar Rai: As you know, Gokul, we have not been announcing the constant currency rate for all this because there are so many multicurrency's involved. So, yes, there would be some. I would not deny that because but in the last quarter, at least, there has not been a much change in the no significant change in the rates, whereas I think during the course of last year, there has been an increase in dollar-rupee conversion significantly. But I think now it has been around whatever, INR95, INR96 has been more or less stable. I think that would be the rate at which it has been that has been used.

Gokul Maheshwari: And any tariff recoveries happened in this quarter?

K. Ajith Kumar Rai: Yes, please understand tariff recovery is a double-edged sold. If the customer has given the tariff relief to us, we'll have to give it back to them. And if they have not given it, that is the only thing that we can recover.

So as we have always said, most of it has been passed on in our last year's what is that, our press releases. Most of it that has come back also needs to be going back. There will be some delta, if you ask me. I mean, we always like to hold on to something. But that is something it is difficult to quantify it here, but that would not be very significant.

Gokul Maheshwari: Okay. Just lastly, on the domestic business, this year this quarter, we grew 20%, which is fantastic. If you could just give us sort of a flavor with respect to the broader breakup between the core traditional business in terms of the cables and how this is how newer products within this segment are actually helping driving the growth.

I'm not talking specifically of the numbers, but just more qualitative comment that how the new products are really contributing in ensuring that the growth rate is now matching with the sector growth rates?

K. Ajith Kumar Rai: I think in this, Gokul, I would say the other products, the non-cable or beyond cable products are basically some of these braking products like CBS and some of those related products. That is although they have grown very good, very well, as Mohan has sort of mentioned in his commentary, but they are still a small low base.

So will that would have given it, let's say, a couple of percentage of traction to ICM, the answer is yes, but it is not beyond that. That's what I'm trying to say. So it's still a small base. I hope let's see how the whole year goes. Maybe next year, we will segregate braking separately out or whenever the time is right, then I think we'll also get to know more clearly that. But the base is still small, but they are growing at a much higher rate, yes.

Moderator: The next question is from the line of Nishita Shanklesha from Sapphire Capital.

Nishita Shanklesha: So I'm just attending the call for the first time. I'm hearing about the company for the first time. So if you could just reiterate the guidance that you've given earlier, that would be great.

K. Ajith Kumar Rai: Okay. What we did was in the May after finalizing the Q4 and the year-on-year I mean, annual numbers, we have said that on a consolidated basis, we will grow in double digits and that the EBITDA margin range would be these are all operational numbers you are talking, 12% to 13.5%.

We have said the Global Cables and Mechatronics will also have a double-digit growth with the EBITDA margin operationally at between 10% to 12%. ICM, we have said around the last year's number, which is, I think, about 5%, 15%. PLD, that is Phoenix Lighting and Electricals, we have again said around last year, which is about 12%.

And yes, SED, we have said, again, in line with the last year, which was touching 10%. So, basically, we are aiming to do the 10% again. These are guidance that we have given last year for the current year.

Moderator: The next question is from the line of Purnima from Kredent Family Office.

Purnima: [inaudible 0:35:35]?

K. Ajith Kumar Rai: Can you please talk a little louder? I think you're a little weak. Sorry. I can't hear you properly, Purnima. Sorry. I'm not able to get your question. Not very good.

Purnima: Sir, is it better?

K. Ajith Kumar Rai: Okay. Go ahead with your question. Let's see.

Purnima: I wanted to ask what is the revenue number for LED retrofitting business as in financial year 26? And it is profitable on EBITDA [inaudible 0:36:20]?

K. Ajith Kumar Rai: LED retrofit, I don't think we give any separate number for it. I don't think it is large enough to disclose. But Mohan, do you have any idea on what is the LED status on our retrofit general comment maybe?

Mohan Nagamangala: No, I don't have specific information. I do know we track what we call it as beyond halogen. But specifically, is it such a significant number that we can disclose? The answer is no.

K. Ajith Kumar Rai: We don't have that.

Purnima: Okay. And is that segment profitable? Do you have any idea about that?

K. Ajith Kumar Rai: It is profitable because the point is yes, go ahead, Mohan. You can comment on the retrofit generally maybe.

Mohan Nagamangala: Yes. So that I can confirm, yes. There is quite an amount of localization that we have done. There is some amount of imports that happen, but there is quite an amount of localization that we have done.

And again, when you say LED, you have to understand that we are doing what we call it as a drop-in solution, a retrofit drop-in solution. Therefore, this almost looks like in the way it is handled more like halogen, but it is an LED operated lamp or a bulb. So that's how we are doing it. So in terms of profitability, the answer is definitely yes.

Moderator: The next question is from the line of Jinal from Awriga.

Jinal: Congratulations for a good set of numbers and execution, Suprajit team. So, almost a year back, Ajith, sir, there was a time when you guys had given some of the order wins initially and said that, okay, you kind of wanted to show it one time. So just when I look back in the last four quarters with the SED division, we are kind of we've been in that INR40 crores, INR45 crores of revenues kind of run rate. We've kind of consolidated there. Yes, there was a slight uptick in this quarter. And EBITDA obviously have been in that INR4-plus crores on a run rate basis.

So just trying to understand that earlier when these order wins were giving, one thing that I want to understand is the execution and timeline of how that flows through? Because in this quarter, you mentioned that there has been certain wins from the U.S. and the Chinese OE. So in that sense, will that kind of show up?

And when you speak of order wins, what are we timelines are we certainly talking about and the kind of quantum over the next two, three years in terms of contribution to revenues?

K. Ajith Kumar Rai: This is for GCM you're talking? Because order wins in U.S., China is mostly on GCM. You started talking about the electronics division, I think.

Jinal: So, in effect, I'm talking about both because one thing I referred to is that a year back, you mentioned about order wins across that factor I'm talking about the U.S. and the Chinese OE as well.

K. Ajith Kumar Rai: Yes. What's happening is what how we are growing so much when the global business is at 0% growth, even if you're adjusting for the two months of the small last years between SCS China and Canada, we are growing at 22%, 24%. How is that possible when the global business is at 0%.

So that is because of those orders that we have won a year ago or 18 months ago is now starting to come into production, number one. At the same time, some of the businesses that we have been producing also going out of business.

So there are two things happening. One is some of the old contracts are going away, but the new contracts are so much more that the growth has been at that particular percentage, which we are expecting to continue. So it's a solid performance.

And that also, along with the restructuring and most competitive buying and new contracts are coming at current prices, that all has added to the margin improvement. That's why the margins are more than doubled from the last year same quarter time. So that is where the whole thing whole color is changing actually. I don't know whether that's what you are expecting as an answer or whether I got the question right.

Jinal: Sir to add to that, so when you speak about the order wins with the U.S. and the Chinese OE, is there a possibility to kind of give a perspective that over the next two, three years, what is the opportunity there in terms of any size or any number that you can share broadly?

K. Ajith Kumar Rai: I think in terms of the size of the business, I think we have made a press release, I think, a month ago, particularly about three large contracts. I don't know whether you have seen it, but that was a very important announcement we have made, which I don't know whether I got that number here, but that was very significant. I think about three contracts we have talked about. One is the largest EV cable contract, which is an annualized value of USD 5 million and a lifetime of about USD 37 million.

Second one is a European luxury OEM, which is at USD 2 million a year, a lifetime of USD 12 million. And another one is from a Japanese OEM, again, USD 1.2 million a year, lifetime of USD 6 million, but they are all going for different, different plants of ours, for Matamoros, for China, et cetera, and for probably some of them also going to Morocco.

So what I'm saying is that the order inflows are pretty strong. These are only three major ones we have talked about. Subsequently, we have won additional new businesses. So I think we are in a position where from last year, everybody fighting the tariff war. Today, we are fighting for the order wins. So I think the scenario has changed, and I think we have been winning them pretty handsomely.

But in terms of how it will change the profile of margin, I think let's understand this. It is still a very competitive business globally. But there is a consolidation happening. And I think the consolidation only leads to eventually the stronger players to probably eke out slightly better margin.

But we have just completed a major restructuring. So any change in guidance, we don't want to do now. Maybe end of the year, we have said 10% to 12%. After seeing the actual outcome of the restructuring, if you find that the margin profile needs to be revisited, we'll probably only do end of the year.

Jinal: Okay. And lastly, on the SED, so the current run rate that we are heading, is that something that over the next couple of years in terms of the visibility that you all have, is there something that we can see a kind of major push up there in terms of all the pipelines that you have currently?

K. Ajith Kumar Rai: I'll let Akhilesh answer this. Akhilesh, do you want to take it?

Akhilesh Rai: Yes, sure. So, firstly, when we made our disclosure before launching the Electronics division, and we talked about the pipeline and the businesses that we had won for that business. It also included at the time who was one of the largest EV players and a significant portion was their business, which, as you know, that player didn't clearly continue with the volumes that they were at two years, three years ago.

So the loss of that volume was a negative for the division, which we overcome by bringing a lot more businesses. So probably whatever was in that disclosure, there are a lot more projects that came in, which more than overtook what we had the volumes that we didn't get from this Number 1 player at the time. So I think that is one point on Electronics division.

And what's good is that right now, the Electronics division, a lot of the business is not just driven by EVs, but also by ICE customers who are picking up a lot in especially in the South region, a lot of the OEMs here are doing pretty well. So we see the strong growth continuing in the next few quarters. We see like we said in the release that we are expanding our capacity on a war footing because we just are we are flooded with orders and new launches.

So, I think, of course, a lot of these EV things, you never know how they are they going to go up or down. But at least in terms of the current market scenario, EVs are doing great. And therefore, this SED should also do well along with the fact that ICE is also doing well. So our business is looking strong for at least the next 12 months, we see a good traction to continue at these levels that we see this quarter.

K. Ajith Kumar Rai: Akhilesh, you can also talk about a little bit about some of the businesses we are working on, on the connected side, maybe.

Akhilesh Rai: Yes. I think, I mean, like Chairman said, we have of course, we have also our tech center continues to work on a lot of projects. And one of that is into telematics. And this quarter, actually, we won three projects in telematics and connected clusters and PCUs. So this is a great opportunity also for us to grow into the telematics side of the business. And that should launch in the coming year and then gives us a new platform to take to all our other OEMs as well. So, yes, I think that's on telematics.

K. Ajith Kumar Rai: And to add to what Akhilesh has said, we have now decided to move out of the current location temporarily. We already found a larger leased out premises nearby. I think in the next, I don't know, the time line, maybe six months or so, we'll be completely relocating to that site and completely rebuilding the current plant by demolishing and coming out with a much larger facility for electronics.

So all that shows that we are very clear that the original plan at which we said that, okay, we probably this place is okay for some, say, let's say, INR250 crores of business, but now we are seeing much higher traction. So what we are doing is we are relocating the plant, except a part of it and then completely rebuilding and coming out with a multistory electronics division. I think that work should start soon.

Jinal: Thank you for these responses. And if I may, in the PLE, there were two comments. One comment made in the last quarter about one European competitor having trouble. And in the current quarter, you mentioned about the U.S. large retailer order revamping. So with this, we've been in that INR90 crore run rate per quarter. Do we see that kind of breaking out of that zone in the coming quarters?

K. Ajith Kumar Rai: The volume globally is obviously reducing, right? I mean it's in that old part. The insolvency in Europe, which is still an ongoing, they're still operating. There are some customers are trying to support them and all that stuff. The whole thing is still not yet fully rolled out as to how it will pan out.

So, in the meantime, we are in discussion with multiple opportunities to do business. But I think ultimately it depends upon whether this particular player who is in insolvency, how he comes out of insolvency. Does it shut down? Does it get taken over? I mean these are the kind of questions.

So we are in discussion with multiple customers, prospects. I think in the next quarter or so, we'll start seeing much better clarity on those inquiries. So I think there is a good opportunity for us, and I'm pretty sure that we will capitalize on it over the period of next three to six months' time.

This U.S. business is ramping up nicely. I think we have had much higher. I think this year, it will be a much larger business than last year. And again, it will go into much larger business for the following year, in the next year.

Because it's we last year, we did piloting this year talking about specific number of stores. And I think that number of stores will probably triple or go 4x next year. So I think that is going as per the plan. So in fact, I think we had a good dispatch of that in this July month, I think.

Moderator: The next question is from the line of Chirag Shah from White Pine Investment Management.

Chirag Shah: Congratulations for good set of numbers. Sir, before I ask the question, I have a request and a suggestion. If you look at some of your peer set, their disclosures on new order wins is reasonably well organized in the quarterly update. If possible, you can think about it.

And when I say new order wins, either an addition of a product or addition of a model or a new customer or a new geography, et cetera, et cetera. So if you want, we can take it offline, but it's because this question keeps on coming every time, and it will save time on discussion also, you don't have to repeat a lot of these. It's a suggestion.

K. Ajith Kumar Rai: Okay.

Chirag Shah: Sir, the question is, one, the India business or the stand-alone business where we have seen margin pressures, which you have explained, on an annualized basis, can we assume that margins will be similar to the last year once the pass-through, et cetera, happens?

K. Ajith Kumar Rai: I would say almost like similar, let's say, taken, let's say, plus/minus 50 basis points probably. It's difficult to say because ultimately, it depends upon what price you are able to strike with customers. Our feeling is that it's probably not more than 100 basis points, if at all. But we don't expect that also, but I'm just saying as probably as an extreme case.

Chirag Shah: No, fair point. Yes, that's why I was asking because quarterly variation will be.

K. Ajith Kumar Rai: The only problem is not about passing on the material cost increase, Chirag. I think the issue is about the wage increases. That is where the real debate is going on. I don't think anybody is questioning our material cost increases. I think on the labor cost increases because we are still a fairly large labor-intensive operation. I think that part is what is being strongly debated.

Chirag Shah: Fair point. Sir, second question was Akhilesh alluded to the different price points of different parts that we supply to customers. If I have to ask it in a different way, what will be the median price per unit realization that we would have because we have product from INR100 going up to INR7,000.

K. Ajith Kumar Rai: It's difficult to say, Chirag. I can't give you that number because it keeps changing. It's a dynamic situation. Our product range is like that. So giving a median price is like throwing a dart. We don't know where it's going to hit.

Chirag Shah: But structurally, three years or five years out, can we expect a 25%, 30% increase in this median pricing, whatever is the number it could be. Is that the right direction we are in, given the way the product...

K. Ajith Kumar Rai: Yes, yes. I think our again, the question the point here is that cable has got one range of price, right? I've got a INR6 cable. I got also I got a INR600 cable. Now how do I give a median of that?

And then on top of that, we have got these other products coming where the volumes are different than the cables. Cables are all high-volume ones. And the median value of our per piece on a consolidated basis is like absolutely, I think it's a wasted exercise, if you ask me. I think the content per vehicle is a fair question, I think. That's what I'm trying to say.

Chirag Shah: Okay. Fair point. Content per vehicle is also a good way of looking at it, but can we say...

K. Ajith Kumar Rai: It doesn't matter what it is, yes.

Chirag Shah: Directionally, we can see a 5% to 6% improvement per annum basis by around 20%, 25% improvement over three to five years. Is that a fair assumption?

K. Ajith Kumar Rai: Improvement on what sorry, improvement of what.

Chirag Shah: Content per vehicle.

K. Ajith Kumar Rai: I can't answer that question without having done some homework. But I just explained earlier, if you combine our SED and ICM, you can see the growth, right? That growth is more than the industry growth. Now it is at the same time, there has been some of the cable operation are not there now compared to what it was, let's say, a year ago.

So the content per vehicle, we will try to see how we can accommodate that and whether we can see whether we can track something like that. Maybe it's a good idea to do it for us on an internal basis. But whether we'll disclose, we'll decide on that. But I cannot give an answer to your question.

Chirag Shah: No, fair point, sir. Maybe it comes down the line, once you do your work internally, you...

K. Ajith Kumar Rai: There are a lot of new things. braking products are coming up now. The Electronics division is ramping up fast. At the same time, the new base is growing, starting to grow. So we don't know the trajectory of all these products as how it will be over two or three years' time. So it depends. something may take off. It depends upon how the customer volumes are there. There are so many variables. So it's impossible to put a target there.

Chirag Shah: And sir, last question, in the brake and brake release system, you have mentioned TVS and HMSI as the customers. In the brake and brake release system, you have mentioned TVS and HMSI as the customer.

K. Ajith Kumar Rai: That is for the CBS, I think. That is for CBS.

Chirag Shah: Okay. That is only for CBS. And is that if you can throw more light, is it that we have just made entry in one or two models or how it is? And how should we look at it two, three years out?

K. Ajith Kumar Rai: Mohan, you have you can do any clarity on the CBS situation now, where all we are?

Mohan Nagamangala: Sure. First of all, let us understand one thing. The braking system or brakes is a safety critical item. Therefore, any OEM, before they take a plunge, they do a lot of confirmation, product validation, design validation, et cetera. Therefore, we are going through that process with multiple customers. With some of the customers, we have completed it. Some we are in the process.

And second portion that I need to explain here is, unlike many other, I would say, players in the market, we are looking at a total technology stack here. That means we are looking at the levers. We are looking at the cables. We are looking at the hoses. We are looking at the reservoir. We are looking at caliber, we are looking at rotor, brake pad, ABS. Therefore, it is we are looking at a complete technology stack in the braking system and CBS also as a part of that.

Therefore, what we are doing is making inroads with certain customers with certain portions of it. So our general vision or guideline, what I would like to say is, a, we would like to own a complete system responsibility. So that's our direction. So we take over the system responsibility.

Second thing is we would like to have a claim on the real estate, a specific real estate in a 2-wheeler architecture. Therefore, this is the way I would be looking at. Therefore, to answer your question, which part of your body is growing more in hands or legs or brain, if you're asking me, it is very difficult. I would say that there is an overall growth happening in the body and are maturing both as a technology and also as a player in the market.

Chirag Shah: Fair point. Because this is a very if you're able to do the transition, it would be a unique one and it could really, really a lot of profitability also to the company. Hence, I was asking about it.

K. Ajith Kumar Rai: I agree with you, Chirag. Absolutely agree. I think that is the idea. I think I've made this comment in our some previous calls also. This is a long-term story, even longer than the Electronics division story in terms of how it will mature, which product will get launched first, which product will grow faster, which product will launch later.

But the idea, as Mohan said, is to give a complete braking solution. I think that is our North Star statement. I think, what is the time? We have 12:00 o'clock. So we'll take two more questions from the audience here.

Moderator: All right, sir. The next question is from the line of Raksha Shrivastava. Due to no response from the current participant, we move on to the next. The next question is from the line of Ravi Purohit from Securities Investment Management.

Ravi Purohit: Congratulations, sir, on a good set of numbers. Sir, just one question. Most of the other questions have been answered, right? So I think we had discussed a little bit on actuation systems, right, from the LDC acquisition. And I think last quarter con call, we had mentioned that we have kind of done a refresh of the tech or the products that we are kind of doing in that.

So if you could kind of throw some light because that was one opportunity which kind of allowed us to if I can use the word forward integrate from cables to kind of actually providing actuation systems and the addressable market for that similarly is significantly larger than just the claim cable. So if you could throw some light on any order wins or anything that we are looking at on that aspect over the next couple of years?

K. Ajith Kumar Rai: Yes, sure. Akhilesh, can you answer both on our product development status and maybe on the business side of it, please?

Akhilesh Rai: Yes. I mean on product development, I think the product has been developed now, and we are taking this to our customers in the U.S., especially and then next to Europe. This will, of course, take some time to filter into actual business wins. So this will not be something that will be an immediate kicker.

But what we are seeing is that in India also, there is a lot more talk about bringing these kind of actuation systems. In the U.S., it is a standard on premium vehicles. But in India, it is barely there even in the top-end vehicles of most of the cars.

So now I think a lot of customers are looking at it. You have seen, I'm sure, in your analysis of these industries, a lot of new tie-ups in seating-related companies coming to India to bring their technologies. And in those technologies, there are a lot of them are also talking about actuation for all these seating companies. So we are also in discussion with seating companies in India, but this is a mixture of both that the technology has to come to India plus we need to win that business.

So I would say it's still a little bit down the line before we can really win seating actuation businesses in other than what we already have. I think that's an ongoing process. But at the same time, I would say that with some of our key passenger vehicle customers, and I won't name one of them, but it's a leading EV OEM.

They have looked at us for almost four, five different actuation-based projects, which are all on the very much in the R&D space. So this may take again two, three years before it even comes into the market. But this is with very deep advanced engineering that we are working very closely on very on interesting actuation projects.

So I think this is a matter of time to play out, but I think the signs are strong on actuation that we will have a lot more business going forward.

K. Ajith Kumar Rai: To add to what Akhilesh said, Ravi, is that the current businesses that we have in actuation continues. Some new projects we have launched in the 2-wheeler in the last two, three years, they are also continuing. Now I think the Indian larger passenger vehicle side, OEMs are seriously looking at some of these newer technologies on seating. And I think that's where we are fitting in. And I think we have some very interesting conversations with at least a couple of them. And as Akhilesh said, we are in discussion.

In terms of the product, I think we are working on as we said, it's more or less finalized at least what I would call as the level of actuation based on the force. I think they are all in the final approvals are in the process. So I think they will all be launched as an upgrade on the existing actuation products that we have. So I think it's a journey, but I think there is a very exciting new opportunities that we see.

Ravi Purohit: Okay. Great. Great, sir. Good to know that. Sir, other question is on the non-auto side, right? So, historically, I think there a few years back before we acquired LDC, we used to kind of discuss non-auto side of the business to over the last couple of years, I think the discussions have mostly geared towards auto.

So is there anything any update that you can share on what's happening on non-auto side of any products that we have developed or anything that we are working on or anything that looks exciting?

K. Ajith Kumar Rai: I think non-automotive has been fairly the business in U.S., I mean, it's large most part of that business is out of U.S. They have continued in the last two years, unfortunately, I would say, it has remained very muted. And hence, our conversations have also been fairly muted.

So, what we are doing though now is in those days, what we are talking about is on opportunities in cable. But what our business development guys are doing now is that we are pitching in some of our new products, particularly from the STC products on the displays and on sensors, et cetera.

I think that is we already started supplying some of the sensors already in the last couple of years. But I think there are quite a few new ones, including some of the displays are being presented and discussed with these nonautomotive customers. The cable side of the business, honestly, is not growing. But I think these new products is where we expect the traction to come over the next few quarters. And we'll take one last question, if it is there, madam.

Moderator: The next question is from the line of Devesh Kayal from Boring AMC.

Devesh Kayal: Sir, just want to understand, you mentioned regarding this Chinese OEM.

K. Ajith Kumar Rai: Sorry, what OEM?

Devesh Kayal: Chinese OEM?

K. Ajith Kumar Rai: Yes. Okay.

Devesh Kayal: Yes. So what we have been hearing Chinese guys making inroads in Europe and other places globally. So, for us, how it has grown? And what would be our contribution to revenue? And how do we see from here on?

K. Ajith Kumar Rai: I think Chinese OEM business is done out of Lone Star in China actually. How we pitch to this OEM was simple that they have global ambition. They are the largest EV maker today in the world. And they have global ambition. They are, I think, already in Hungary. They are talking about Mexico.

So how we pitched it 1.5 years ago was that we have footprint in these places where they want to go and that we want to be their global supplier. They have a local couple of suppliers, but they are purely local. They have no global footprint. Eventually, after good rounds of discussion, they have said, okay, let us try you out because if that's really needed, we will be able to use your footprint globally.

But the starting point was China, okay? We are making still making most of it out of China. You supply to our current products. So in the process, I think we have won nearly 25 different, different cable projects with this customer. And I think five or six of them have been launched already, and the balance will be launched over the next 12 months or whatever time frame, depending upon the development time.

The growth is very clearly seen. If you look at Lone Star, last two years, they have been a flat year for Lone Star, but we are seeing something like a 20% growth at Lone Star. And I think that trend is likely to continue with the kind of business wins that we have. And eventually, the idea is to go to take that from there to try to offer to the same OEM out of Europe or for North American launches. So that is the overall plan.

Devesh Kayal: Okay. That's it from my side. I wish you all the best.

K. Ajith Kumar Rai: Okay. Thank you. Thank you all. Thank you very much for your time and patience and continued interest in Suprajit. I would also like to thank Mumuksh and Anand Rathi and Chorus Call to organize this call. And all the best. Thank you very much, Shruti. As far as we are concerned from our side, there is no more brief from our side. So, thank you.

Moderator: Thank you. On behalf of Anand Rathi Share and Stock Brokers, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.