Operator: Ladies and gentlemen, good day and welcome to the Pricol Ltd. Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will remain in 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 and then zero on your touchtone telephone. Please note that this conference is being recorded. I will now hand the conference over to Ms. Purvangi Jain from Valorem Advisors for the opening remarks. Thank you, and over to you.

Purvangi Jain – Valorem Advisors: Thank you. Good afternoon, everyone, and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the investor relations of Pricol Ltd. On behalf of the company, I would like to thank you all for participating in the company's earnings conference call for the first quarter of financial year 2027.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs, assumptions made by management, and information currently available to management. The audience is cautioned not to place any undue reliance on these forward-looking statements when making investment decisions. The purpose of today's earnings call is purely to educate and create awareness about the company's fundamental business and financial performance for the quarter under review.

Now let me introduce you to the management participating in today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Vikram Mohan, Chairman and Managing Director; Mr. P.M. Ganesh, Chief Executive Officer and Executive Director; Ms. Madhura Mohan, Executive Director, Customer Relationship Management and ESG; and Mr. Priyadarshi Bastia, Chief Financial Officer. Without any delay, I request Mr. Vikram Mohan to begin with his opening remarks. Thank you, and over to you, sir.

Vikram Mohan – Chairman & MD: Thank you, Purvangi, for the introductions. On behalf of my colleagues in this conference room, greetings, ladies and gentlemen, and welcome to the Q1 earnings call for the financial year ending March 31, 2027.

On a consolidated basis, our revenue from operations has been about 1,083.58 crores, with an EBITDA of 123.69 crores and an EBITDA margin of 11.41%, resulting in a profit after tax of 67.01 crores with a PAT margin of 6.19%, resulting in an EPS of 5.50 rupees per 1 rupee share. All our performance details have been uploaded, and I hope all of you have had a chance to review them.

Our revenue from operations, in comparison to the same quarter of the last financial year, has grown by 23.46%, aided by strong industry growth as well as our new product introductions, which have helped us achieve this growth.

EBITDA has faced some headwinds, as I had already indicated earlier. Our EBITDA, on a quarter-on-quarter comparison between the same quarter of FY26 and FY27, has grown by only 21.42%. We could have grown by a much higher percentage compared to our revenue, but there have been multiple headwinds caused by the West Asia crisis. Polymer prices have gone through

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the roof. LPG prices have gone sky-high. Freight costs have increased. There has been surge pricing, premium pricing, and minimum wages in the 3 states where we operate have also gone up very sharply because of government intervention in the first quarter.

While these are not lost earnings, these earnings are delayed and will be recovered through indexation, not entirely but to a large extent, in the corresponding quarters, as the automotive industry typically has indexation for items such as foreign exchange and commodities, which are indexed either quarterly or half-yearly. We are endeavoring to make everything subject to quarterly indexation. Therefore, over the next 2 quarters, we will recover whatever earnings we lost this quarter on account of all these cost increases and headwinds.

Our PBT for the similar period, comparing Q1 FY26 with Q1 FY27, has grown by 32.23%, and PAT has also grown by 34.34%.

In terms of the industry outlook, demand continues to be robust, but the resumption of the war in Iran and the neighboring regions will continue to have an impact on the rupee, which is at an all-time low against the US dollar. Since we are dependent on a significant amount of imports of electronic chip parts for our business, this will continue to hamper our profitability, but not the top line, which we will recover in the corresponding quarters.

Crude oil prices have also firmed up. Prices are increasing and are expected to increase further in the coming quarters because of the ongoing crisis. Freight rates are also high and are expected to remain high for at least the next few quarters. According to information provided by shipping providers, for at least the next 4 quarters, shipping rates and freight rates, both inbound and outbound, will continue to be very high.

In addition, raw material prices other than basic raw materials such as aluminum die-casting and polymer, including prices for memory control devices, on which we are heavily dependent, are increasing very sharply quarter-on-quarter because of the huge demand created by the AI revolution taking place across the world.

We are mitigating some of these increases through VAVE, value analysis and value engineering, and productivity enhancement activities. We have also requested customers to offset part of these costs, but some costs will remain unrecovered, and there will continue to be an impact on EBITDA until all these global crises are resolved and some semblance of normalcy returns to the world.

While we endeavor and promise to continue growing the business and our revenue, we believe EBITDA will continue to remain under pressure for the next couple of quarters until normalcy returns. As I mentioned, these are not lost earnings but delayed earnings, which will come in subsequent quarters.

With this, I would like to move to the question-and-answer session. As a matter of protocol, we would like to ask participants to join the question queue and restrict themselves to one question per person. If you have more than one question, we request you to rejoin the queue so that everyone is given a fair chance to ask questions. Thank you, and over to you, Purvangi.

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Operator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use their handsets while asking a question. In the interest of time and fairness to others, we request participants to restrict themselves to one question and rejoin the question queue for follow-up questions. One moment, please, while the question queue assembles.

We take the first question from the line of Chandramouli Muthaiah from Goldman Sachs. Please go ahead.

Chandramouli Muthaiah – Goldman Sachs: Hi, good evening, and thank you for taking my questions. My first question is about the announced demerger. I want to understand the thinking behind the proposed demerger, and also understand that, at this stage, we have been very successful in instrument clusters, which has been the core business.

The combined entity gives us multi-product exposure, but through the demerger, the core business again becomes a separate entity with single-product exposure. I am trying to understand the thinking behind the decision to demerge the company at this stage.

Vikram Mohan – Chairman & MD: Thank you, Mr. Muthaiah. This is something that we have been debating at the board level and at the strategic level for over 2 years. The nature of our product in our driver information system and connected vehicles business is changing very rapidly.

The human-machine interface in the vehicle, whether it is a two-wheeler, a four-wheeler, or a commercial vehicle, is changing. Climate control is integrating, infotainment is integrating, and driver information is integrating. The technological change is becoming very rapid.

For Pricol Ltd. to continue maintaining its lead in this space and to take on multinational competition, we will be required to invest large sums of money and also bring potential partners on board to help us strengthen this business.

When all the businesses are merged into one company, we found it very difficult to attract the right kind of investors because each business has a different investment appetite. Therefore, both to attract investments and because we did not want to rely extensively on borrowings, we wanted a judicious mix of debt and equity. We also wanted to attract certain technological partners that we will be required to onboard in order to maintain our lead in the business. After multiple discussions at the board level and with strategic advisors, we took this decision to demerge this business and give it much more agility so that we can raise money as well as look for partners to continue maintaining our lead in the business. I hope this answers your question, Mr. Mutthayya.

Chandramouli Muthaiah – Goldman Sachs: All right, thank you very much. I will rejoin the queue.

Operator: Thank you. We take the next question from the line of Shivam Kabra from Carnelian Capital. Please go ahead.

Shivam Kabra – Carnelian Capital: Thank you for taking my question. In both demerged businesses, how are we expecting the growth rate to develop over a 3-year period? Also, are we looking for any global partners? Earlier, we had relationships with Denso and Johnson, but those did not work out

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well for us. What are the positive signals that this time it can be better for them?

Management: Denso was a very old relationship that started in the 1980s and 1990s, when Pricol Ltd. lacked technology altogether and needed it. Today, Pricol Ltd. has technology for the driver information systems space. However, to integrate things such as infotainment, we are not an infotainment company, and for climate control, we are not a climate-control systems company. We need to integrate all of that in order to be a credible player.

We are not rushing to look for a technology partner. We are keeping our eyes open and evaluating people who can fill gaps in our technology or perhaps give us greater scale to cater to a global market. We may have to onboard a partner because many Indian OEMs are also going overseas, and for us to be awarded programs even by international OEMs, they need international presence through a partner.

More importantly, the capital requirements of the business are going to be high over the next couple of years, as we have stated in our demerger document explaining why we are going for the demerger. In order to give us the flexibility to seek both capital and technology partners, for technology as well as market reach, we felt it was best to demerge this business.

In terms of growth, we will continue to maintain the growth pace that we have maintained over the last 2 years in the coming years as well in the driver information systems space. In the ACFMS business, we are expecting a higher growth rate because of the introduction of new products. The first LOIs have started coming in and have been productionized.

In the polymer space, growth is going to be muted, as I mentioned in the last call, because of a lack of capacity and not a lack of business. We have won a lot of business for which we are creating capacity, but that will take the next 9 to 12 months to mature. After that, this business will also maintain a very healthy growth rate of more than 20%.

Operator: Thank you. We take the next question from the line of Jatin Chawla from RTL Investment. Please go ahead.

Jatin Chawla – RTL Investment: Hi, good evening, and thank you for the opportunity. Given the raw material situation in the quarter and also your cautionary stance following the Q4 call, I think you have done a fantastic job in limiting the decline to only 160 basis points in gross margins and, with control over other expenses largely maintained, your EBITDA margins.

How were you able to limit the decline in gross margins to only 160 basis points during the quarter? Regarding both gross margins and EBITDA margins, how do you see the outlook going forward, especially in the context of your comment that you will receive some price increases from your customers going forward?

Management: Ideally, Mr. {? Goel ?}, we should have delivered at least another 1.5% to 2% in overall margin, which would have been better because the fixed costs have been amortized over a larger top-line base. In fact, the polymer business probably took a bigger impact than the driver information systems business.

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With prices being corrected, at least about 75% of our revenue will receive some indexation in Q2, and the balance will go to Q3 because of the half-yearly indexation, which we are also trying to improve. This will help, but the minimum wage cost increase of approximately 21 crores per annum because of government regulations is still something we are navigating with customers to determine how much we can absorb and how much they will absorb. That is a work in progress.

We can definitely see improved margins in Q2 and Q3, provided the rupee does not weaken further. There are some indications from our discussions with the market that the rupee could touch 3 digits against the dollar, prices could increase further, and crude oil prices could also return to the 90s.

Therefore, it is anyone's guess. If things remain as they are, we believe at least another half a percentage point of EBITDA is still available in the system through price increases and indexation from customers.

Operator: Thank you. We take the next question from the line of Preet from Incred AMC. Please go ahead.

Preet – Incred AMC: Hi. Thank you for the opportunity, and congratulations on a good set of numbers. My first question is regarding the margin outlook. You recently mentioned that, if everything remains where it is now, what annualized margin level can we expect?

Management: Under normal operations, our ideal margin level should be, as I have always maintained, between 12.5% and 13%. That is the steady-state margin required so that we do not lose business and can maintain our share of business. If we endeavor to increase our margins beyond that, competition will undercut us.

A margin of 12.5% to 13% is what I have always maintained is the appropriate blended margin for our company to maintain our share of business. That is what we are endeavoring to achieve quarter-on-quarter, and that is why I said we lost about 1.5% in EBITDA margin this quarter.

Operator: Thank you. We take the next question from the line of Hitesh Goyal from Origin Capital. Please go ahead.

Hitesh Goyal – Origin Capital: Thank you for taking my question, sir. I wanted to understand whether you could give us some sense of the year-over-year growth in the ACFMS business and DIS separately this quarter. Also, what was the growth in the two-wheeler segment within DIS? That is my first question.

Management: I will request our CEO and Executive Director, Ganesh, to answer that question. There are 3 parts to the question. First, what is the growth of the DIS and CBS businesses for this quarter? Second, what is the growth of the ACFMS business for this quarter? Third, what is the growth of the two-wheeler business for this quarter? Ganesh will answer that in 3 parts.

Ganesh – CEO & Executive Director: Good evening. The growth of both DIS and CBS and ACFMS has been around 25%. Both have grown equally because we supply to the same set of customers for both these product verticals, so the growth has been the same.

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The second part of the question was about two-wheeler growth. We have outperformed the industry in terms of two-wheeler growth. During this first quarter, the industry grew by about 23%, while Pricol Ltd. grew by 28%.

This was primarily because, as our Chairman explained, of multiple new product introductions during Q1. Is there any other question that I have not answered?

Management: No, those were the 3 questions. Great, thank you.

Operator: Thank you. We take the next question from the line of Sahil Jain from Ashwa India Holdings. Please go ahead.

Sahil Jain – Ashwa India Holdings: Hi, sir. Thank you for taking my question. The Ministry of Road Transport and Highways has relaxed the norms on ABS and CBS [inaudible] bikes can use more CBS. How will this impact our ACFMS business, sir? That is my first question.

Management: We are not able to hear you, Mr. Jain.

Sahil Jain – Ashwa India Holdings: Am I audible now, sir?

Operator: Yes, please go ahead.

Sahil Jain – Ashwa India Holdings: The Ministry of Road Transport and Highways has relaxed the norms on ABS and CBS, sir. Bikes can now use more CBS in their systems, so I want to understand how this will impact our ACFMS business. That is all.

Management: As I have mentioned in earlier calls, ABS is not something that we are focusing on at this point in time. It is part of the future roadmap of the company, so it will not have any material impact on our company for the next 2 years.

Operator: Thank you. We take the next question from the line of Bhavya Vyas from Ant and Bees Investment. Please go ahead.

Bhavya Vyas – Ant and Bees Investment: Thank you for the opportunity, sir. Could you update us on the progress of the DIS {? de-risk ?} program with the large two-wheeler OEM, when production commenced, and when we can expect to see a meaningful revenue contribution?

Management: Bhavya, I am really sorry, but your audio is not clear. There is too much echo.

Bhavya Vyas – Ant and Bees Investment: Am I audible now, sir?

Operator: Please go ahead.

Bhavya Vyas – Ant and Bees Investment: Could you update us on the progress of the DIS {? de-risk ?} program with the large two-wheeler OEM, when production commenced, and when we can expect to see a meaningful revenue contribution?

Management: We are simply not able to hear you. There is a lot of echo in your voice, Mr. Vyas.

Operator: Mr. Vyas, I request you to please use your handset.

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Bhavya Vyas – Ant and Bees Investment: Am I audible now, sir?

Operator: Yes, go ahead.

Bhavya Vyas – Ant and Bees Investment: Hello?

Operator: Yes, go ahead, Mr. Vyas.

Bhavya Vyas – Ant and Bees Investment: Hello?

Operator: Ladies and gentlemen, since there is no response, we will move on to the next question, which is from the line of Rajit Agarwal from Nilgiri Advisors. Please go ahead.

Rajit Agarwal – Nilgiri Advisors: Good evening, sir. My question is related to the capital expenditure that you shared in your last call. Could you provide a breakup between the 2 proposed entities and the timelines, including how much will be incurred in FY27 and FY28?

Management: We have embarked on an overall capex cycle of 700 crores across all divisions of the company, not just over the next 12 months but over the next 18 to 24 months.

About 400 crores of this is reserved for the polymer vertical, where we are creating a significant amount of new capacity to cater to the existing business and also because we have to move out of the TVS campuses in which we had a lock-in period.

About 300 crores is for the other 2 verticals of the company. Approximately 150 to 180 crores will be for the DIS and CBS vertical, and about 120 crores will be for the ACFMS vertical, broadly speaking.

Operator: Thank you. We take the next question from the line of Shubham Batra from Ambit AMC. Please go ahead.

Shubham Batra – Ambit AMC: Hi, sir. Congratulations on a good set of numbers. Thank you for taking my question. I wanted to ask how our business with Honda is ramping up and what kind of wallet share we are expecting from them in FY28.

Management: I will request Ms. Madhura Mohan, our Executive Director, who handles our customer relationships and especially Honda, to answer that question.

Madhura Mohan – Executive Director: Thank you for the question. Our business with Honda at the moment is quite robust. We have recently won a good share of business from them for our plastics division as well, totaling a very substantial amount. Therefore, our current business at the group level is quite healthy.

As I mentioned, we are also exploring new opportunities in the DIS and CBS and ACFMS verticals, and we see Honda as one of our strategic growth customers in the future.

Management: In fact, in plastics, we have even put certain business on hold. Honda wanted to give us more business than we wanted to take, but because we do not have the capacity and it is going to take some time to create that capacity, we said we would take it in phases. However, Honda is

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going to be one of our high-value and high-growth customers over the next 3 years.

Operator: Thank you. We take the next question from the line of Naman Golaacha from Nirmal Bang Securities PMS. Please go ahead.

Naman Golaacha – Nirmal Bang Securities: Thank you for the opportunity, sir. My question is related to the cluster business. We are seeing a pivot toward e-cockpits in premium and higher-end vehicles. Where are we positioning ourselves in the e-cockpit business, and do we foresee any orders or potential OEMs that are working with us for this e-cockpit business?

Management: Mr. Golaacha, let me just say that an e-cockpit in a two-wheeler is probably not going to happen because there is no real estate on a two-wheeler to install an entire e-cockpit. Has Pricol Ltd. developed an e-cockpit and demonstrated it to the customer? The answer is yes.

Management: The adoption of e-cockpits in the overall Indian automotive industry is going to be very limited. It is going to be a very small segment. We have shown the proof of concept to our customers, and they have accepted it.

However, I must admit that some of our multinational competitors will have an edge over us in e-cockpits because of their global purchasing advantages. We will continue to focus on two-wheelers, commercial vehicles, and off-road vehicles, where e-cockpit adoption is not expected to be significant.

Having said that, we have developed a world-class e-cockpit and demonstrated the technology to our customers to ensure that it is available as part of our portfolio.

Operator: Thank you. We take the next question from the line of Prolin Nandu from Edelweiss Public Alternatives. Please go ahead.

Prolin Nandu – Edelweiss Public Alternatives: Hi, and thank you for taking my question. My question is about the DIS business that you plan to demerge. You mentioned the possibility of a technology tie-up. Could you help us understand, when you think about increasing the value addition in this segment or moving into passenger vehicles as well, what can we do in-house and where will we require a technology partnership?

When I think about some of the technology leaders, they have some kind of tie-up in India with some of the other players. Are there very few technology partnerships left for us to consider? Is that how the industry is structured? I would appreciate some perspective on the limitations of technology partnerships, what we can do in-house, and what will require a technology partnership for us to move forward.

Management: That is many questions rolled into one, Mr. Nandu. However, for the benefit of the larger audience, let me answer that.

As I mentioned earlier, not just on this call but in many earlier calls, the human-machine interface in a vehicle, where the driver or passenger interacts with the vehicle or reads information from the vehicle, is not restricted to speed, fuel level, or indicators. It is also integrating infotainment, which is becoming a very important part, and controlling the air conditioning, which is also becoming very

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important.

This is where we may pursue technology partnerships or technology tie-ups because a ground-up development by us would take many years. It is not impossible, but it is going to take us many years, and we may miss the bus. That is point number one.

Point number two is that Pricol Ltd. currently has a disadvantage because our manufacturing is primarily based in India and Indonesia. Many models are now being launched globally. Having a partner, not necessarily a technology partner but a partner, would help us offer the same platform. For example, Mexico is now emerging as a very large market, and Honda has started talking to us not only about business in India but also about business overseas.

Would it make sense for Pricol Ltd. to set up a plant in Mexico before the volumes reach maturity? The answer is no, because it would not be prudent in terms of our return on investment or return on capital employed.

In certain European markets, we are being asked for products and local production, especially now in the era of tariffs. It is prudent for us to have a partner who can manufacture our product and supply it in a geography without our having to invest in those geographies.

Therefore, we are looking at a two-pronged approach: one related to technology and the other related to ensuring that our share of business with our critical customers is maintained.

The Indian two-wheeler industry has probably reached the highest level of maturity in the world. The technology developed for a Honda two-wheeler in India, a Suzuki two-wheeler in India, or a TVS, Bajaj, or Hero two-wheeler is now percolating to other countries around the world.

Since we want to maintain our global leadership position in two-wheelers, it is important for us to have certain local partners in certain geographies in order to maintain our market share. Therefore, one aspect relates to technology, and the other relates to catering to certain markets and geographies where we do not have a geographical manufacturing presence.

Operator: Thank you. We take the next question from the line of Kirtan Aurora from Stallion Asset. Please go ahead.

Kirtan Aurora – Stallion Asset: Hi, sir. Thank you for the opportunity. I wanted to know what sort of value addition in terms of product portfolio we are planning in the precision products division, and what the ROCE of the ACFMS segment will be for the company.

Management: Regarding precision products, or rather the polymer division, we have now also developed some high-technology products. We have achieved some segment firsts, especially for the new Tata Tiago. We have developed some very interesting products and also saved money for the customer. We are moving up the value chain.

Having said that, we are setting up a center of excellence in polymer technology, which is currently under development and will become fully operational by May 2027. We have already started investing in product development and new products. We have invested in 2K molding, which is one of the first such investments.

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We are now pursuing self-healing plastics. This is a very interesting technology in which, if a painted part or polymer part has a scratch, there is no need to repaint it. Simply applying heat will allow it to self-heal, and the scratch will disappear.

We are also looking at fiber-reinforced plastics, which will replace metals and provide almost the same rigidity and flexibility as a metal part while reducing weight. These are some of the initiatives we are pursuing.

The ROCE for that business will remain muted because we are going through a significant investment cycle for the center of excellence. We are backward integrating by building our own tool room, which did not previously exist. This is giving us advantages in acquiring customers, especially customers such as Honda, Yamaha, Royal Enfield, and others.

We are also setting up new plants. We have a state-of-the-art plant coming up in Hosur. We have a plant being commissioned in Mysore. We have a greenfield plant being commissioned in Aurangabad. We have a plant being commissioned in Gujarat, in Sanand, for Honda. We have a plant that has just started construction in Bhiwadi in the NCR region.

Because of this heavy investment cycle, ROCE will decline and then return to a steady state of between 16% and 18%.

Operator: Thank you. We take the next question from the line of Maulik Hitendra Singh Chaudhary from Monarch Networth Capital Limited. Please go ahead.

Maulik Hitendra Singh Chaudhary – Monarch Networth Capital Limited: Hi, sir. Am I audible?

Operator: Yes, please go ahead.

Maulik Hitendra Singh Chaudhary – Monarch Networth Capital Limited: Thank you for giving me the opportunity. I wanted to know the revenue contribution of all 3 business verticals and whether there is any update on adding a new customer on the PV side.

Management: On the PV side, we have now engaged with Mahindra. Customer acquisition has been very robust in the polymer business because earlier that business was owned by the TVS group, so the other two-wheeler customers were not open to us.

We have now acquired quite a few two-wheeler customers in the polymer business. We have acquired business from Aether, River, Simple Energy, Raptee, Honda, and Royal Enfield. We are in the final stages of acquiring business from Yamaha. We are also talking to a few other customers, but the business has to be profitable, so we are only pursuing profitable business.

For the switches business, which was launched recently, we have acquired our first business from Suzuki and are engaging with a few other two-wheeler manufacturers.

Regarding our ACFMS vertical, some of the new businesses that we are negotiating and pursuing, I will request our Head of Customer Relationship Management and Director, Madhura, to answer that question.

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Madhura Mohan – Executive Director: We are actively working on acquiring business for all our product verticals within the ACFMS business. As our Chairman mentioned, we have received the first business for our switches division, which is a very positive indication, and we plan to grow that particular vertical very significantly in the coming years.

We have also started production of disc brakes for one of the major Indian OEMs, which is again a positive sign for that particular division and for the future products that we are planning to develop there.

We have also been discussing some export businesses with some of our larger customers in the European and American regions. Therefore, we are very positive about the growth of that division.

Management: In the DIS-CBS division, we have just started engaging with Mahindra to enter Mahindra, where we were not previously present. It is still early days.

Operator: Thank you. We take the next question from the line of Khush from Electrum PMS. Please go ahead.

Khush – Electrum PMS: Thank you for the opportunity. My question is regarding our growth rate. Considering the new products in the pipeline and the new business we have won, you mentioned that for the plastics business, our earlier target was to double revenue from the FY25 base over the next 3 years. Considering that there are capacity constraints, although we have orders, how does that change? Is the target still intact, or has it been pushed out?

Similarly, for the DIS and ACFMS businesses, could you elaborate more on the growth rates and what we are expecting over the next 3 years?

Management: Regarding the plastics business, when we acquired it, we had only 1.5 months of operations in FY25. We said that we would not merely double the revenue; our endeavor would be to achieve 2.5 times those FY25 numbers.

With the capacities we are creating and the business pipeline we have, my team and I are very confident of achieving that number. It is not going to be pushed out because all the plants are coming up on schedule, apart from delays of a month or two because of steel supplies, unseasonal monsoon rains, and similar factors. There has been no significant delay.

For the DIS-CBS business, we will continue to maintain a growth rate at least 5 percentage points above the market growth rate with the new business we have acquired.

In the ACFMS business, we do not want to settle for only a growth rate 5 percentage points above the market. We are aiming for a growth rate 10 percentage points above the market to ensure that the division grows aggressively. We have introduced new verticals such as switches and disc brakes, and our next focus is on exports, on which we have started working. These exports will begin yielding results over the next 2 to 3 years.

We have already won certain committed volumes from certain export customers as well.

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Operator: Thank you. We take the next question from the line of Preet from Incred AMC. Please go ahead.

Preet – Incred AMC: Thank you very much for the follow-up question. My question is about the DIS business. Could you give us some idea of the current TFT penetration across segments, including two-wheelers, PV, and CV, and what our market share is in each segment?

Management: You are not very clearly audible, Mr. Preet. Could I request you to ask your question again? There was a lot of echo, and the audio was muffled.

Preet – Incred AMC: Certainly, sir. My question is about the DIS business. What is our market share across segments, and what is the TFT penetration across the two-wheeler, PV, and CV segments? Could you provide some numbers?

Management: There are multiple questions folded into one. First, what is our market share in DIS? It differs by segment.

In the two-wheeler DIS business, we are the largest in India, with a volume share of between 35% and 37%. In CVs, we have almost a two-thirds market share in CVs and off-road vehicles.

In passenger vehicles, we have approximately 8% to 9% market share because, at this point in time, we are dependent only on Tata Motors, where 8 out of 10 Tata cars are coming out with a Pricol cluster.

Regarding TFT penetration, I would request my CEO, Mr. Ganesh, to answer specifically about TFT penetration in the two-wheeler industry.

Ganesh – CEO & Executive Director: Currently, two-wheeler TFT penetration has been higher in the EV segment. ICE vehicles are also now seeing traction in terms of TFT penetration. Currently, it is a very small percentage, about 7% to 8% of total two-wheeler production having a TFT cluster.

However, we see rapid growth over the next 3 years, with this percentage doubling in terms of TFT adoption.

I would also like to add that, for cost optimization, two-wheeler OEMs are also looking at hybrid clusters, which are partly LCD and partly TFT. This will also evolve rapidly because of cost considerations.

Operator: Thank you. We take the next question from the line of Sriram from I-Thought PMS. Please go ahead.

Sriram – I-Thought PMS: Could you provide the timeline for the demerger process?

Management: It is a million-dollar question because it depends on so many government agencies and multiple steps. However, we have been told that it will take a minimum of 4 quarters and could take longer.

We hope there are no roadblocks and that it proceeds smoothly because we are not a multinational operating in multiple countries. It is a fairly simple operation. Our investors have told us this; we are

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not experts in SEBI, ROC, the various NCLT processes, and all the related steps.

If you recall, Vedanta said it would complete its demerger in 6 months, but it took 18 to 24 months despite its strength and size.

Therefore, we hope it will be completed in 12 months. In terms of operating the businesses as demerged entities, from around October, each division will operate more or less like a demerged entity in terms of manpower, staffing, and other aspects.

In terms of investments and other matters, internally we will start operating like demerged entities by October, and by December they will be fully operated as demerged entities so that, when the demerger takes place, the process becomes easier.

Operator: Thank you. We take the next question from the line of Shivam Kabra from Carnelian Capital. Please go ahead.

Shivam Kabra – Carnelian Capital: Thank you for taking my question again. My question is regarding the company's plans for mergers and acquisitions and the segments in which we are planning to proceed. Could you provide some perspective on this?

Management: I am not able to understand you at all, Mr. Kabra. I request you to speak louder and more slowly, please.

Shivam Kabra – Carnelian Capital: What are the company's plans for mergers and acquisitions, and in which segments are we looking to proceed?

Management: We have paused mergers and acquisitions, although I mentioned that we had earlier been evaluating certain acquisitions. When we conducted due diligence, we were not very happy with the quality of the assets.

As I have maintained, we are only looking to acquire quality assets and not distressed assets or assets with fundamental issues in either technology or management quality. For the next year, since we have many new programs, significant capacity additions, and the demerger of the company, I think we have our hands full.

At yesterday's board meeting, we decided that, until the demerger is completed, we will focus on rapidly growing our business, bringing these 5 new factories on stream, getting our partnership with BOE for the backlight module for screens on stream, completing the heavy investment that we are making, streamlining each of the businesses, and setting up the different centers of excellence.

We do not want to take on more than we can handle in terms of management bandwidth. Therefore, for the next year, I do not foresee that we will pursue any acquisition opportunities unless something very attractive, of the right quality and at the right value, becomes available. However, it is not a priority at this point in time.

Operator: Thank you. We take the next question from the line of Naman. I apologize, Naman has left the question queue. We will move on to the next question, which is from the line of Hitesh Goel from Origin Capital. Please go ahead.

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Hitesh Goel – Origin Capital: Thank you. Could you tell us about the disc brake revenue in this quarter? Also, regarding capacity, you said you would start with {? 0.5 million ?} per annum capacity. How is that going to ramp up? Are there any new orders?

Management: Could you clarify? Did you refer to disc brakes?

Hitesh Goel – Origin Capital: Yes, I was referring to disc brakes. I wanted to know the disc brake revenue in this quarter so that we can track the trajectory, as well as how the capacity is going to ramp up.

Management: As I mentioned, the real revenues from disc brakes will begin only from FY28. We are still in the early stages. I maintained this in an earlier call, and I will continue to maintain the same position because we are just starting to ramp up and supply.

Disc brakes and switches will become relevant products only from FY28. This is the position I maintained in the last 4 quarters, and I will continue to maintain the same position.

Operator: Thank you. We take the next question from the line of Nandan Pradhan from MK Global. Please go ahead.

Nandan Pradhan – MK Global: Good evening, sir, and congratulations on a great set of numbers. I hope I am audible.

Operator: Yes, please go ahead.

Nandan Pradhan – MK Global: Thank you. I have a small bookkeeping question. Could you provide some insight into how our polymer business performed this quarter, as you do every quarter, in terms of revenue and EBITDA performance, so that we get a broad understanding of how our core business is also performing? Thank you.

Management: In terms of performance, while you have congratulated my team and me on a good quarter, I think we could have done better, as I said. Personally, I am not happy with our performance for the quarter.

All our customers have declared superb results, but at the cost of Tier 1 suppliers like us, because a lot of our plastics and other earnings are being delayed. Those earnings will come in the second and third quarters. I was jokingly telling some of my customers the same thing.

Regarding the exact numbers for the polymer business, I will request the CFO to provide them.

Management – CFO: Good evening, Nandan. For Q1, the polymer division recorded revenue of {? 249 crores ?} with EBITDA of {? 7.8% ?}.

Management: As I mentioned, Mr. Pradhan, the polymer business was perhaps the worst affected because polymer raw material prices increased significantly, although they have since been corrected for this quarter and the next quarter.

LPG, on which the polymer business is dependent, also reached stratospheric levels, and that is also being corrected this quarter and next quarter. Therefore, we should have much better and healthier

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EBITDA and a healthier top line in Q2 and Q3 in the polymer business.

We could have grown much more if we had the capacity. However, as I mentioned, because of the lack of capacity, we are not able to fulfill the full potential of this business, which we will start seeing from FY28 onward.

Operator: Thank you. We take the next question from the line of Kritin Arora from Stallion Asset. Please go ahead.

Kritin Arora – Stallion Asset: Thank you for the follow-up, sir. Once we have completed our capex plan in the polymer segment, who will be our most comparable peer or competitor in terms of product portfolio?

Management: It would perhaps be Varroc, National Plastics, and Premier Polyplast.

Operator: Thank you. We take the next question from the line of Shubhosh Rudravar from Purnartha Investment Advisers. Please go ahead.

Shubhosh Rudravar – Purnartha Investment Advisers: Thank you for the opportunity, sir. Could you provide some perspective on our FY30 target? As you said that we are pausing M&A, does this affect our long-term target?

Management: I did not say that I am closing M&A permanently. We are taking a pause for a year because I believe we have tremendous growth opportunities in our existing businesses. We are creating significant capacity in our existing businesses. We are looking at ramping up some of our new business verticals. We are creating centers of excellence for certain new products, and we are going through a heavy capex cycle.

We do not want to stress our balance sheet. My forecast for FY30 and what we want to achieve continues to remain the same.

We are only suspending M&A for a year. Again, if something compelling and interesting becomes available at the right value and with the right quality of assets, we are not going to turn it down. However, we are not going to actively look for M&A, and my guidance for FY31, which is calendar year 2030, remains fully intact for each of our businesses.

Operator: Thank you. We take the next question from the line of Hiten Boricha from Sequent Investments. Please go ahead.

Hiten Boricha – Sequent Investments: Am I audible?

Operator: Yes, please go ahead.

Hiten Boricha – Sequent Investments: Thank you for the opportunity, sir. My question is about the polymer business. As we mentioned, we are currently facing capacity constraints. Could you guide me on our current capacity and what our capacity will be after the {? 400 crore ?} capex?

Management: With the capacity that we are creating, we should comfortably reach about {? 2,000 crores ?} of turnover from our current capacity of {? 1,000 crores ?} of turnover.

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Operator: Thank you. We take the next question from the line of Bhavya Vyas from Ant and Bee Investments. Please go ahead.

Bhavya Vyas – Ant and Bee Investments: Am I audible, sir?

Operator: You are audible, but could you please use your handset?

Bhavya Vyas – Ant and Bee Investments: Thank you for the opportunity, sir. My question is about BMS. Could you provide an update on the program's progress, and has it entered mass production?

Management: I think I have mentioned this, Mr. Vyas, in multiple earlier calls. BMS is something that vehicle makers and OEMs have decided to control, and we are not putting any further money into BMS.

I have maintained for 3 quarters that we are not looking to invest any further money in or grow that business. Therefore, BMS will not form part of our portfolio.

Operator: Thank you. We take the next question from the line of Rajit Agarwal from Nilgiri Advisers. Please go ahead.

Rajit Agarwal – Nilgiri Advisers: Thank you for the follow-up. I have a clarification on the top line for this quarter. While we have performed very well year-over-year, sequentially it is relatively flat. Could you provide some insight into which businesses performed well and which business pulled down the growth?

Was this because of the polymer business? If there is a lack of capacity, how do you see the top line recovering over the next 2 quarters?

Management: Mr. Agarwal, this is absolutely in line with industry performance. Q4 is always the strongest quarter in the industry, and Q1 then declines. Q2 increases again with pre-festival season sales, and Q3 declines. That is the cycle we have maintained, and we have grown faster than the market in each of our divisions.

Therefore, we have not lost any share of business whatsoever. There has been a loss of EBITDA because of external geopolitical factors and certain government-mandated statutory changes, such as minimum wage increases, which we are trying to recover in the coming quarters.

Operator: Thank you. We take the next question from the line of Preet from InCred AMC. Please go ahead.

Preet – InCred AMC: Hello, management team. Congratulations. All of my questions have been answered.

Operator: Thank you. We take the next question from the line of Siddhartha Matthew, an individual investor. Please go ahead.

Siddhartha Matthew – Individual Investor: I have a follow-up question on your earlier comments regarding the e-cockpit. You mentioned that you had developed a world-class e-cockpit, but some of our international competitors have a distinct advantage. I am wondering where we are lacking,

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how we could catch up, and whether this demerger will help in that regard.

Management: Possibly. As I said, the volume of e-cockpits that some international competitors, such as Nippon Seiki, Continental, which is now Aumovio, Denso, and Visteon, are able to produce is probably 40 to 50 times Pricol Ltd.'s volume.

Therefore, we will not have a cost arbitrage in terms of component parts because of our very small volumes. With such a small volume, we will not have that advantage. While we have developed the capability and demonstrated our proof of concept, we will not be able to compete on cost because of the absolute volume disadvantage that we have.

Perhaps one of the reasons we are also looking at a partner is to obtain certain cost arbitrage through scale. That is also one of the reasons, although it is not the primary reason.

Operator: Thank you. We take the next question from the line of Saket Saraogi, an individual investor. Please go ahead. Saket, please unmute your line and proceed with your question.

Saket Saraogi – Individual Investor: Hello? Is my line audible? Are you receiving my voice?

Operator: Yes, Saket, please go ahead.

Saket Saraogi – Individual Investor: My question is that, considering the industry growth in this quarter, our company's sales figure appears muted in comparison. What do you have to say about that? Have we lost some revenue in this quarter for any reason?

Management: The industry put together, on a weighted-average basis, grew by 22%. We grew by 26%. We outperformed industry growth by 4% across all our divisions. I would not call that muted growth. We have outperformed the market.

Operator: Thank you. We take the next question from the line of Nachiket Kale from NK. Please go ahead.

Nachiket Kale – NK: Thank you for the opportunity. My query has already been answered. Thank you very much, and best of luck for the next set of results.

Operator: Thank you. We take the next question from the line of Ritkesh, an individual investor. Please go ahead.

Ritkesh – Individual Investor: Am I audible?

Operator: Yes, you are. Please go ahead.

Ritkesh – Individual Investor: Sir, can you provide guidance for revenue over the next 3 to 5 years, or any target that management wants to achieve over the next 3 years? That would be helpful.

Management: I have provided revenue guidance. I have told you what capacity we are creating in the polymer business. We have also previously provided revenue guidance for our DICV business, and we said that we hope to achieve 8,000 crores through a combination primarily of organic growth and some inorganic growth by calendar year 2030, or FY31. I continue to maintain that

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guidance.

Operator: Thank you. Ladies and gentlemen, we will take that as the last question and conclude the question-and-answer session. I now hand the conference over to the management for the closing comments.

Management: Thank you very much, ladies and gentlemen, for your active participation. I would also like to thank my team, led by our CEO, our Executive Director, Madhura, our CFO, Mr. Bastia, and the rest of my operating team, for delivering this set of results.

We endeavor to deliver a better set of results in the coming quarters and continue to outperform the industry. I pray to the Almighty for normalcy to return to the world so that all of us can focus on productive work and proactively work on strategy, rather than firefighting and running war rooms instead of running companies. Thank you. Good evening.

Operator: Thank you, sir. On behalf of Pricol Ltd., that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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