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Corporate Identity Number (CIN) : L29199KA1985PLC006934

November 17, 2026
SEL/SEC/2026-2027/50

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 Q2 FY 27 Earning Call Transcript.

Pursuant to Regulation 30(6) read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the transcript of Earning Conference Call held on Thursday, November 12, 2026 on Financial Results of the Company for the quarter and half year ended September 30, 2026.

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

This is for your information & record.

Thanking you,

Yours faithfully,

For Suprajit Engineering Limited

Medappa Gowda J
Digitally signed by Medappa Gowda J
Date: 2026.11.17 17:09:15 +05'30'

Medappa Gowda J
Chief Financial Officer & Company Secretary

Encl: as above

"Suprajit Engineering Limited
Q2 FY27 Earnings Conference Call"
November 12, 2026

MANAGEMENT: **MR. 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 Suprajit Engineering Q2 FY27 Earnings Call, hosted by Anand Rathi Shares and Stock Brokers Limited. 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 touch-tone phone. Please note that this conference is being recorded. I now hand the conference call over to Mr. Mumuksh Mandlesha from Anand Rathi Shares. Thank you, and over to you, sir.

Mumuksh Mandlesha: Thanks, Iqra. Happy festive greetings. On behalf of Anand Rathi Shares and Stock Brokers, I welcome you all to the Suprajit Engineering Q2 FY27 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. Request Ajith sir and team to give an introduction review about the results, and then we can follow with the Q&A session. Over to you, sir.

Ajith Kumar Rai: Thank you, Mumuksh. Good morning, and festive greetings to everyone. I first of all would like to thank Anand Rathi and Mumuksh for organizing this call. Welcome to our Q2 FY27 call. As you all know, I think I will give a very short brief and then ask our team to make a brief statement, and then we will go to Q&A. But as you know, the uncertainty globally, it continues to be there.

Automotive markets have subdued in this quarter beyond India due to all the conflicts and inflation and commodity prices and shipping issues, etcetera. Indian automotive industry was in a bright spot. As you all know, the sector grew at 20%+, thanks to the lower GST regime as compared to last year same period. However, the second half would be not as exciting, I think, because the lower GST was introduced in September last year.

There will be a higher base effect of the last year for the second half. Having said that, I think Suprajit had a solid quarter. The consolidated revenue grew by about 20%+, and EBITDA grew by about 27%, with the EBITDA margin at 12.2%. In the Q1, we had informed that there has been certain pricing pressure, both at ICM and PLE. I think we have also said that in Q2, Q3, this will get normalized, and you can see easily that in this quarter, just for the Q2, both ICM and PLE had very good recovery in margins. I think this will continue to gather momentum as we go forward. Mohan and Akhilesh will brief more about the individual, some of the division's performances. I will probably give a closing comment before opening the floor for questions.

With this, I hand over to Medappa for the numbers, followed by Mohan and Akhilesh, as usual, for their updates. Medappa?

Medappa Gowda J.: Yes. Thank you, sir. The consolidated revenue for the half year ended 30th September 2026 was INR2,205 crore, as against INR1,804 crores for the corresponding previous year, recording a growth of 22%. The consolidated operation EBITDA for the half year ended 30th September 2026 was INR267 crore, as against INR191 crores for the corresponding previous year, recording a growth of 40%. The standalone revenue for the half year ended 30th September 2026 was INR1,034 crore, as against INR877 crores for the corresponding previous year, recording a

growth of 18%. The standalone operation EBITDA for the half year ended 30th September 2026 was INR149 crores, against INR145 crores for the corresponding previous year.

Moderator: I am so sorry to interrupt you, sir.

Medappa Gowda J.: Yes.

Moderator: Your voice is muffled. Can you please try using your headset more?

Medappa Gowda J.: Yes. The standalone operation EBITDA for the half year ended 30th September 2026 was INR149 crore, as against INR145 crores for the corresponding previous year, recording a growth of 3%. The net debt level was reduced to INR371 crores as on 30th September 2026. Thank you.

Ajith Kumar Rai: Mohan?

N. S. Mohan: Yes. Thank you, Chairman. Thanks, Medappa, for the update. Very good morning, everybody. Let me just take you through our business divisions. I will start with the global business. Before moving on specifically to our GCM or Global Cables and Mechatronics, which includes SCS, I will just give you a brief as to what is happening or what I see is happening around the world.

I am just back from about one and a half months business trip, spanning both Europe and Americas, and visited quite many customers. Well, the global business turmoil, I would say, continues. Americas will hopefully look better going forward for obvious reasons. We all have to keep our fingers crossed still, I would say. But Europe is a cause for worry, with Germany in particular not looking good. Things we should wait and watch and see how it pans out.

China remains an enigma for all of us, but we will remain upbeat about China for now. As far as our global business goes, our GCM revenues grew by around 24%, and EBITDA grew by 69%. The margins moved from 7.4% to 10%+. For the first half year, EBITDA has more than doubled. I would say that the restructuring at GCM is behind us, and I would say that is primarily the story behind these numbers.

In the past few years, whatever wins we have started getting has started flowing into the operations. Very importantly, our consolidation of warehouse in Europe remains on track, and that is one part of the jigsaw puzzle that we will have to now neatly fit in. Having said that, we will keep our eyes open to the developments in Europe, and we will take action if needed.

GCM continues to face inflationary pressures, with commodity prices going up, rates still being high. However, having said that, we have multiple projects going on to reduce and manage our costs of materials and also, I would say, logistics. In terms of growth, it is going well both at U.S. and Chinese OEMs, and our business in Europe is holding steady, despite all these kind of economic headwinds that I talked about. Very important as we grow our exports, our SAL, or Suprajit Automotive Private Limited, the export wing, is setting up a greenfield cable plant in Chennai as a part of our expansion. Moving on to the Indian business, India business looks ever more promising. However, again, the inflationary trend is a cause for worry.

As we all know, the wholesale price index is shooting above the CPI levels, which means that it is showing limited ability of the manufacturers to pass on the cost increases to the consumer. Specifically moving into our divisions, let me start with the India Cable and Mechatronics. Here, the revenue grew by close to 14%, with OEM and beyond cable business growing about 20%.

Aftermarket growth was modest, and that is normal because once the OEM demand is strong, people do not take it out for servicing and all those. They will try to replace it. So, that is a normal cycle that we have seen even before. More importantly, the margins came back to 15.3% from 12.8% in Q1. I think we had talked about it earlier, and we expect some amount of bettering these numbers in Q3 too.

Moving on to our Phoenix Lighting and Electricals division, the revenue grew by close to 15% and EBITDA by 30%, with margin at 14.4% as against 6.7% in Q1. For half year, both growth and margin are back in the double- digits. That is the good news. However, having said that, Trifa remains soft, but our ramp-up with the largest U.S. retailer is going well. Now with a major halogen supplier going insolvent, I think our last man standing strategy is playing out well. With this, I would love to hand it over to Akhilesh, for SED and STC, please.

Akhilesh Rai: Thank you, Mohan, and good morning, everyone, and happy Diwali to all. I will start with the electronics division, SED, which covers sensors, electronics, and displays. It had a very strong growth, probably far higher than we had expected at 50.4% in this quarter year-on-year. It was led by a strong growth in digital clusters and Electronic Throttle Controls. We also, this quarter, launched one of our most complex TFT clusters, which was jointly developed with Ultraviolette, which is India's fastest electric bike.

This cluster was powered by one of the most leading-edge Qualcomm chips, has dual cameras, dual antennas, has radar, a frontier TFT cluster within the industry in the two-wheeler space. We are very happy to develop this jointly with Ultraviolette and also with the support of Qualcomm and Quectel. Margin is a challenge at SED.

This is primarily because of significant component cost increases. We are, of course, trying to pass all of these to customers, but this passing on is taking more time than expected. Also, the significant growth, which is probably higher than what we had forecasted, also means that some of the costs of things like shipping, logistics has also weighed down on the margins.

Considering the growth of SED, and we see a further pipeline of growth, which is strong, we are planning to increase the size of the facility. Today, we have already moved to a rented facility, a part of our plant. The remaining part of that plant, which has now been vacated, has now started, we are starting construction there to build a much larger facility and give SED a space to grow in the years to come.

Coming to the tech center, STC, our team of R&D engineers is continuing to support these great cluster projects, but also other projects on throttle actuators and sensors, which will come up both at all our divisions going forward. The new STC building will be completed this quarter as planned. We have also signed a technology tie-up with a Japanese company for gear shifters. This pairs well with our ongoing shifter cable partnership.

You might be aware that we announced a partnership on shifter cables. At the end of the shifter cable comes a gear shifter, and this pairs nicely together that we can offer shifter cables separately or a shifter cable and a shifter system together. This is the reasoning behind it. When it comes to general updates, I think, you know, you've seen in our investor presentation some good accolades that we won from customers.

ACMA star performing customer for TPM for our electronics division. Electronics division also got an operational resilience award from River, which is one of the strong EV companies down in the south. We also got best delivery performance from TVS, as they have been ramping up their supplies, their production in India.

To summarize the outlook for H2 across all our divisions, I think we are expecting them to all continue to perform well, but they're all fueled by different factors, as again, this is given in the presentation. GCM is ramping up the wins that they have won across the global footprint. ICM is going to follow the India industry growth, but also have buoyed by some of the new beyond cable launches that we'll be seeing in the coming quarter.

PLE demand is ramping up with the U.S. retailer, and we see similar kind of traction with other export projects at PLE, so that is also looking positive. SED, of course, with the projects will continue to ramp up in the coming quarter, and we see further traction on new projects and the EV industry as a whole. So SED is going to be benefiting from that. With that summary, over to you, Chairman, for closing remarks.

Ajith Kumar Rai: Thank you, Akhilesh. All in all, I think we had a strong first half, despite the global environment. There is a clear road ahead for the H2. We expect a good H2 as well. The H1 margin at 12.1%, which is well within our 12%-13.5% that we have guided for this year. I'm expecting that H2 may be slightly better than H1 in terms of margins.

Of course, this all depends upon how the commodities prices, Middle East conflict, and all really pan out in the next few months. That's not in our hands, but for that, I think we are looking at a good second half. With this, I will let the moderator take over and let the questions come from all of you. We're happy to answer them. Over to moderator, please. Thank you.

Moderator: Thank you very much. We will now begin the question and answer session. The first question is from Gokul Maheshwari from Awriga Capital Advisors. Please go ahead.

Gokul Maheshwari: Yes, thank you for the opportunity. Just now, given this business is on strong footing, with strong margins, can you just give an overview of your capital allocation? While you have mentioned that you are putting up a greenfield facility in Chennai for the cables business, you also are carrying some amount of debt. So over the next two years, how do you see the cash flows being used? One is for capex, and how much is for payouts as well as debt reduction?

Ajith Kumar Rai: Hi, Gokul. We have said that this year our capex will be around INR200 crore. I think maybe we are done with about half of that by around now, just after the half year. The greenfield, or rather the new projects, one of course is the greenfield for Suprajit Automotive, and the second one is the electronics division, where we are going to put up an additional larger facility within the complex. So, I think they are the two major.

Of course, STC completion would also get over other capex on the greenfield side. But I think, if you look at the next two years, and in terms of the cash generation and utilization, I think we have given the guidance that in terms of the payouts, we are talking about between 30%-40%. The balance will, of course, some of that will go for this capex.

I think it is INR200 crores this year. What it will be next year, it is not really clear. We will probably give a budgetary expectation towards the end of the year. But we are a growing company, so there will be some capex required. Let us say 3%-4% of our revenue could be utilized for such a person, which will be probably similar to INR200 crores or so on an annualized basis. With that, the rest will obviously reduce the debt. I think that is in short, I think my answer to you.

Gokul Maheshwari: So, despite all these investments, you will be paying down some amount of the debt?

Ajith Kumar Rai: Yes, it would. I mean, obviously it looks to me at the moment that there's a good cash generation, and it will obviously bring our debts down.

Gokul Maheshwari: Yes. Okay.

Ajith Kumar Rai: To that extent, Yes.

Gokul Maheshwari: Yes. My second question was just on the GCM business.

Ajith Kumar Rai: Sorry?

Gokul Maheshwari: On the GCM business, the global cable business, there was a Q1 Q dip in the margins.

Ajith Kumar Rai: Yes.

Gokul Maheshwari: From 12% to 10%. Is this some amount of seasonality, or it is just broadly within your range of your expected margins?

Ajith Kumar Rai: Yes. Fair point. I think you must understand that we just came out of a major restructuring. There is always going to be a little bit of blips here and there on that. I think it's one is the product mix, maybe to some extent seasonality, and secondly, also to some extent, some of these fast-tracking of freight and incoming and outgoing material that requires due to a constraint that we have in the global supply chain issues. There are multiple reasons. I think it is not a trend. I can say that. I think our guidance of between 10% - 12% is very much intact, and I don't expect any change in that.

Gokul Maheshwari: Great. Thank you, and all the best.

Ajith Kumar Rai: Yes. Thank you.

Moderator: Thank you. Next question is from Viraj Kacharia from SiMPL. Please go ahead.

Viraj Kacharia: Yes. Hi. Thanks for the opportunity, and wish you and your team a very happy Diwali and New Year. Just couple of questions. First is on the GCM. Can you give some more color or granularity in terms of which regions or markets you are seeing a very healthy demand according to you?

And just a follow-up to that is, say, traditionally we have had a very good exposure to the European market, and there the market structure is changing very rapidly towards share gain by the Chinese OEM, somewhere where we have a relatively lesser stronger foothold. So in that perspective, any color you can give, how should we understand this growth which we saw in Q2, and was there any element of bunching up of orders given the kind of issues in freight shipping we are seeing?

Ajith Kumar Rai: Yes. As we said in our press release also, I think U.S. and China is where we see decent and good growth. U.S. because I think we are basically replacing, not because U.S. underlying market is growing anything great, it's still 1% or 2%, but we have been able to win quite a few new contracts, basically taking it away from the competition. We see a fairly good traction on the U.S. market.

China traction is also very strong because, as we said, the largest EV maker is ramping up his offtake from us. That will give a good traction and visibility in China. You are right about Europe. I think Akhilesh also mentioned earlier, or Mohan has mentioned earlier. I think Europe is a bit enigmatic in terms of how the demand scenario is.

But I think the Chinese OEM or the EV OEM who is expanding very aggressively in Europe, I think one of the strategic reason why they started buying from us from China is, I think eventually, we hopefully and very certainly, we expect to be in their supply chain in Europe as well.

Yes, European business is a bit challenging, but what I'm saying is that it gets easily offset with the U.S. and China, because in U.S., two, three years ago, we didn't have any business. But today, when I look at it, we have fairly strong traction in U.S. Of course, these different basket, and then of course South America is there. These buckets have different dynamics, but when we look at the whole thing, we still see a strong growth for the coming years.

Viraj Kacharia: Was there any element of us bunching up the supply for exports in Q2, given the freight shipping issues?

Ajith Kumar Rai: Yes, I think it's a little difficult to say. It's possible that customers have pulled more business during the first half, considering basic, a lot of what I would call as freight delays, maybe a defensive mechanism. But what we see is that maybe the second half may not be 22%, 24%, but we still see a strong double-digit growth based on the current commitments that we see from the customer in their SAP portals, etcetera, etcetera.

Viraj Kacharia: Okay, just one more question on the GCM. Europe, either supplying direct to the traditional OEMs in Europe or through the Chinese OEM who supply to Europe. Would Europe as an overall sales be flattish for us, or is it on a declining scale?

Ajith Kumar Rai: I would say even Europe will grow for us because as again, as I said. Again, another problem, Viraj, is that if you look at the overall order position in an auto component company like us, there are some contracts they will go off the table after six, seven, eight years of running life, and then some of the new ones come on top of that. So the growth is the net of it, the delta that I am talking about.

But what happens is that sometime the existing orders continue for another quarter or another one or one year, whereas the new business do not take off as planned. They probably delay the project. So these kind of dynamics are working. It is very difficult to say what will be the net impact, but I am saying that delta is certainly positive for us at least, although the underlying market is challenging.

Viraj Kacharia: Okay. Just one more question and I will come back to you. For the Suprajit Electronics Division, so we have seen a very strong growth. We did something like 62 crores of quarterly run rate in Q2. Any color you can give in terms of the order book or order pipeline, and how broad-based this growth is, either in terms of customer base or model mix?

Ajith Kumar Rai: I think Akhilesh talked about electronics, so I will let Akhilesh answer this question.

Akhilesh Rai: Yes, sure. I mean, firstly, on order book, we do not disclose any specific order book, but I would say that the kind of businesses that the SED have won and they are looking at continuing this growth definitely through this year, and I do not know if we will be able to sustain 50% growth. I think that would be quite ambitious, but definitely there will be a strong growth going into next year.

And those wins have been broad-based across multiple OEMs, both in India, two-wheelers, and also for exports. It is quite a broad base. There is no single OEM that is really driving this. And then there are wins across. I mean, there was a two years ago, there were a lot of questions about whether throttles will gain strength and why it was not growing, but today it is one of their key products.

They are adding a lot of additional products within that. The throttle goes with certain switches. That is also a kind of product we are launching in this quarter. So, I think there is a very broad-based growth across customers, across products, and geographies, and SED will have a strong future ahead of it going forward.

Ajith Kumar Rai: Just to add-

Viraj Kacharia: Thank you. One more question with you.

Ajith Kumar Rai: Just to add what Akhilesh said, one of the reasons that we are expanding the capacity at our SED is because that we see a clear path for a significant growth. I think that is why we are adding capacities to the division within three years or so of the launch, because the feedback, I mean, we just talked about the Ultraviolette launch. I mean, each one of those displays are significantly higher priced than the normal digital display that you see on a two-wheeler. So, those kind of things are coming up.

In fact, we are also working with another earth-moving or crane type of manufacturer whose central console is designed and developed by us. So, those kind of things will add. The numbers will be less, but each piece may be INR20,000 or INR25,000.

I mean, that is the kind of numbers we are talking for each display for some of these bigger customers. I mean, small volume, but different application. So, as he said, we are in a very diverse range, so I think that is what gives us the comfort that we will be able to grow the business well.

Viraj Kacharia: Thank you.

Moderator: Thank you. Next question is from the line of Chirag Shah from White Pine Investment. Please go ahead.

Chirag Shah: Yes, thank you for the opportunity. Sir, I have two questions. One, sir, can you just update on the new products, product development, like brakes, actuators, and so on and so forth? There are four, five products at different stages. So, where are we in development or in approval process, etcetera? As well as some of the new projects that you have been indicating, how should we look at customer or revenue ramp up? If you can give us a ballpark understanding, it would be helpful.

Ajith Kumar Rai: On the projects that I spoke about, I mean, they all expected to be launched in this year. Ultraviolette has already launched their bike recently. What the display that we see, very high-end, is ours. But the ramp up, Chirag, it's very difficult to say. It all depends upon what the market responses are. So, it's as good as the market will accept it. So, we will have to wait and see some of these projects, how they will shape up in the market. In terms of the product range of STC, where we are focused, I will probably let Mohan to chip in on some of our product offerings that we are planning and currently the status we are in. Mohan?

N. S. Mohan: Sorry, this is regarding?

Ajith Kumar Rai: This is regarding the new products and launch times, etcetera, from STC. He is talking about the STC products.

N. S. Mohan: From STC?

Chirag Shah: Yes, the brakes or throttles, actuators, a lot of outside cable that we are trying to develop or we are trying to-

N. S. Mohan: Let me classify it into different portions. First, let me talk about what we call as ETC, Electronic Throttle Control. Here we have got a very good traction. We have been able to get multiple businesses, and we are setting up multiple lines for that, including the end-of-line testers, etcetera. Therefore, that is one product which is really, I would say, taking off well. Another product that is kind of it goes along with that is the switch cube project. This is going probably it will get into production stream in another few months. This is our big foray into the switch cube. With this, what will happen is we are trying to own the real estate in a two-wheeler.

That means the handlebar with the grip, with the throttle control, with switch cube, and instrument cluster, and then also dress it up with the levers, the brake lever, clutch lever. We have already been supplying the cables, but to go along with that, what we can do in brakes. Now that brings us to the next portion, the brakes.

In brakes, on the CBS, what we call the combi brake system, again, we have been able to get good traction in the market. We have been able to set up multiple lines there to start. Some of them are already supplying, some of them will start supplying. Therefore, that is another product which is going into stream very well, I would say.

In terms of the entire assembly of hydraulic brakes that we want to get into as an entry, there is good amount of, I would say, R&D work which has been done. There has been substantial investment in terms of the inertia dynamometer, etcetera. We have also set up the line. Now we are in the process of demonstrating this capability, both in terms of design and also in terms of manufacturing to, I would say, customers.

Having said that, we are in discussion with one of the brake caliper manufacturer and through, along with them, approaching the OEMs. Therefore, hopefully that's going to kind of yield results as we go forward. But it is in the advanced stage. So these are, I would say, the critical areas.

Other in electronics, it is the display systems, it is the Electronic Throttle Controls, ETC, as we call it, and the switch cube. These are the three summary points that I can talk about. In terms of brakes, it is the CBS which has really taken off very well. Now we are getting into the other portions of brake, including the brake lever and in terms of getting into the hydraulic brake system, making calipers, assembling calipers, etcetera. So that is going to take time because we know it is a long gestation product, and we are ready to wait for it and convince the customers for that. Have I answered your question?

Chirag Shah: Yes, sir. Only one clarification or one part of the question which was that is, would it be right to make an assumption that FY 2029 is the year when we will see major traction because approvals, proof of concept, testing, validation, etcetera. This year, 2027 and last part of 2028, we'll go in that, and then 2029 onwards, we will see traction on some of this. Is this the right way to think?

N. S. Mohan: I would say you need to look at it in the perspective that we started STC about close to five years back now.

Chirag Shah: Yes.

N. S. Mohan: Therefore, we started off with only one person in our electronics R&D, and from there we have grown so very well. So it has taken us, I would say, at least three years for us to get into the saddle and start working on it. So, if I take the same kind of a scenario, I would say that anywhere between three to, depending upon the complexity of the product, two to, I would say, five years would be range. Five years would be the outer, and I don't think we would be having that amount of patience.

I would say it should be much lesser than that. So, we have a product pipeline or a, like you talked about the POCs, etcetera. Yes, we do have a pipeline, both in terms of a completely new product, which is completely generated out of STC.

Other than that, I would say it is a modified product or a product which we co-develop with the customer ourselves. A classic example would be what we did with Ultraviolette for a multi-layered board of an EV cluster.

Chirag Shah: Great. Thank you. Just two questions.

Akhilesh Rai: I would just add to that this quarter actually we are going into production for our first drum brake system for a key EV two-wheeler in Bengaluru. We are also supplying our first export market for a parking brake, a disc parking brake that we designed and developed. All the die casting, machining, assembly of these parts are all being done in-house. Including the friction material, in fact, we also have our own friction material team.

This is a very highly integrated engineering-first product, and there are multiple launches coming. But like Mohan said, hydraulic brake system, I think that is under testing, and hopefully next year we will have positive news on that.

Chirag Shah: Yes, this is helpful. Just basic housekeeping questions, sir, two questions. One, in the SED business in general and overall in the business, which part of the business has a higher element of bought-out component? One. Second, in your pass-through arrangements with OEM, what costs are a formula-based pass-through, for example, raw material, and what part of the cost sheet is where you really need to negotiate with them? These are the two housekeeping questions if you can help, because margin volatility, it will help us to understand the margin volatility that we have been seeing in the business. That is it. From that perspective.

Ajith Kumar Rai: I can only give you a general answer for this, Chirag. The way we work with our customers, depending upon the customers, we have a discussion opportunity either once in six months, once in a year. That is typically the cycle.

Chirag Shah: Okay.

Ajith Kumar Rai: We typically can go back to the customer only at that time, showing what happened in the previous, let us say, six months, and get some kind of a price increase or reduction. It works both ways. Now when coming to the specific question of an electronics division, I think the fluctuations have been more than what I would say normal. So we have been able to convince the customer there is a reason to discuss even earlier than that. Those discussions are ongoing, so I am not able to comment on that. One of the reason is that some of those discussions had not finalized, that is why you are seeing some kind of a dip in the margin in the Q2 for the electronics division. But I think once we get those pricings are in place, again we will back into double-digits.

The electronics division is undergoing lot of fluctuations, so it is a little difficult to judge what the customer will give. It is a negotiation. It is not a pass-through, because we are not a process industry where we are only using steel, when there is a variation, it is very clear. This is the steel

input in the product, so this is the price increase. Ours is a combination of multiple components with multiple suppliers from across the world. So that discussion is across the board, and I think it takes a little time.

Chirag Shah: And would it have a higher bought-out component also, and that could also be impacting margins?

Ajith Kumar Rai: There is, of course, there is. None of the electronics components are made in India, right?

Chirag Shah: Yes

Ajith Kumar Rai: In the electronics division, lot of that is imported, obviously. Yes.

Chirag Shah: Yes. That will also be affecting margins. Thank you. All the best.

Ajith Kumar Rai: Thank you.

Moderator: Thank you. Next question is from the line of Yash Agarwal from Nirmal Bang Securities. Please go ahead.

Yash Agarwal: Hi, sir. Thank you for the opportunity. My first question is on ICM division. Revenue grew around 13.7% versus 20% growth in OEM cables and non-cable products. What did aftermarket and OE aftermarket grow by, and when do you expect a recovery?

Ajith Kumar Rai: Okay. I think this is an important point, I think you have raised, Yash. I think if you look at ICM as a business, there are three segments, I would say broadly, of course, three broad segments. One is the OEM deliveries, second one is the OEM spares deliveries, third one is our own aftermarket. When you put the OEM, I think we are at a, I am giving a thumb rule number, maybe we are about 50%-55% is with the OEM, and the balance 45% or so is sort of divided between OE spares and aftermarket. This has been historically been the case. I mean, I have been in this industry for 40 years.

Whenever the OEMs are doing greatly well, that means the two-wheeler sales are booming in the marketplace, which is what has been happening in the last one year, since the GST regime has come down in the two-wheeler segment. The people who are having an existing bike, they are probably debating whether to buy a new bike or continue with the old one. As the demand is going up and people are start buying newer and newer bikes, the guys who are owning the current bike will not go for a regular servicing.

He will think that, "Okay, next three months I am going to change, or next six months I am going to change, so let me just manage what is absolutely required." Suppose if the cable fails, he will come and replace, but won't go for a general maintenance where the service guy says that, your clutch is little bit hard, need to change. He will not change. So, when there is a OEM boom, the aftermarket is little bit dip. I think that's what we have seen.

The growth in the aftermarket has been in single- digits through this year. If you compare both the OEM spares and our own aftermarket, I think our aftermarket is slightly better than OE

spares actually. But I think together they are in single- digit, whereas the OEM direct sales is in 20%+. That's what I think Akhilesh was explaining. I hope that answers your question.

Yash Agarwal: Yes, sir. My second question is on braking division. Basically, in ICM, you said in Q1, CBS grew by 110%, brake shoes and pads grew-

Ajith Kumar Rai: Sorry, which one grew by 110%?

Yash Agarwal: CBS. Basically, you said in last quarter, they grew by more than 100%.

Ajith Kumar Rai: Which one has grown by 100%? I am still trying to understand what you are saying.

Yash Agarwal: CBS.

Akhilesh Rai: Combined brake system, CBS.

Ajith Kumar Rai: Sorry, I couldn't hear that.

Akhilesh Rai: He's saying that in the Q1 announcement, the CBS had grown by 100%+ .

Ajith Kumar Rai: Okay. Akhilesh, you know that part, I think. Yes.

Akhilesh Rai: Yes, I'll just wait for him to finish the question.

Ajith Kumar Rai: Yes. Okay.

Yash Agarwal: What was the growth rate for Q2, and what is the braking share of total ICM revenue?

Ajith Kumar Rai: For the CBS, I think, Akhilesh, you have an answer for that?

Akhilesh Rai: Yes, I think braking is a very small segment for us right now. It is not a large part of ICM as a percentage. That is why it is also growing on a very small base. Once it is becoming a sizable part, I think we will separate it out and give you that information. But right now, it is a very small part of the overall business.

Yash Agarwal: Okay, sir. My second question is on the GCM division. Basically, how far has been the ramp-up with China's OEM progress? What is the share of GCM revenue now come from China?

Ajith Kumar Rai: GCM share from China operations are still on an overall basis. I think between the two plants, we do about maybe 25 million a year. It is still pretty small, but their growth is pretty strong. Yes, their ramp-up with the EV OEM, I think we are nearly 20, 22 projects that have been awarded. I think about eight to nine projects are now started into, got into commercial production. Another 10, 12 of them will be going into production over the next one year. It is a ramp-up project after project. That will continue to give a good tailwind for us in the China market. There are other customers also who are growing, but this stands out, for example.

Yash Agarwal: Okay, sir. The last question is basically on the PLE division. This quarter, we had the margin around 14.4%. Is this margin level sustainable going forward in H2 as well?

Ajith Kumar Rai: I think 14.4% is probably not sustainable. We have said that last time that there have been some strategic decisions made not to, let's say, increase the prices in the aftermarket, and certain delays from customer pricing. This 14.4% probably also had some amount of issues relating to Q1, which has actually spilled into Q2. So I would say you have to look at Q2 and Q1 together. I think that is a sustainable margin.

Yash Agarwal: Okay. Just one bookkeeping question on the other income. Basically, other income was around INR40 in Q2 versus around INR350 last year. So, do we expect the other income to remain at this level in H2? Was there any-

Ajith Kumar Rai: Yes. Quite a bit of it is relating to forex, as I understand. I think last year there has been a significant deterioration of Indian rupee versus dollar. Now, of course, rupee has started appreciating. So the other income, which is a significant part of it, is forex. It's not just rupee-dollar, it's also yuan-dollar, euro-rupee, euro-dollar. There are multiple currency things, which was favorable last year, which is not favorable, means neutral this year.

So, this year there is no other income that has sort of boosted our profits for the first half, whereas last year it did. So, you should actually look at, by taking those out, to give a more fair comparison, which shows that the underlying growth of margins have been significant in H1 compared to H1 of last year.

Yash Agarwal: Okay. Sir, also the effective tax rate guidance you gave for FY 2027 was around 27%-28%, but in H1 it was around 34.5%. So what is the reason for relatively higher effective tax rate?

Ajith Kumar Rai: I think it is basically the deferred tax part of it. If you look at it, we have a fairly significant deferred tax assets lying there. I think that will change with time when things are much more streamlined overseas. I think that will get released. So it is more a deferred tax that is affecting that effective tax rate. I think that will all get normalized over a period of time.

Yash Agarwal: Yes. Okay, sir. Thank you. That is it from my side.

Moderator: Thank you. Next question is from Ravi Purohit from Securities Investment Management. Please go ahead.

Ravi Purohit: Yes. Hi. Thanks for taking my question. Sir, just wanted to kind of go back in time a little bit on LDC, right? When we had acquired LDC, and I think we have discussed this in the last couple of calls as well on the product refresh that you were taking. That actuation system part was supposed to be one of the major levers for increasing TAM for us, right? On two-wheelers and four-wheelers particularly. So once the product refresh is done, can you just kind of give us some update as to where are we on that journey on actually supplying actuation systems to OEMs, both India and overseas? If you could just help us understand, it would be great.

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

N. S. Mohan: Sure. Let's break it down into two portions. First is the four-wheeler, which is basically what we got from LDC acquisition and how we are leveraging it. First things first, one good news is that we recently won an order from one of the marquee seating manufacturers who again supply to a

U.S. OEM. You have three rows in a pickup. So you have the front row, middle row, and the back row. We already had one of the rows. Now we won the other row also. So now we control two rows over there. So that's good. So that means there is some amount of goodwill which has been built up over this time. We are also showcasing that to the Indian customers, Indian OEMs. I think I don't need to name them.

We have had tech shows there and demonstrated our capabilities, and that has evinced interest in terms of a technology play. This, again, we are doing along with the tier 1, who is again a very strong seating supplier. So, this is what is happening on the global front, particularly in passenger car vehicles. Now, as a backend, what we are doing is we are also generating our own technology base because we just cannot sit back and relax on what we acquired.

What we acquired is what we acquired, but what we are going to do with it is very important. That's where the STC team comes into picture, and we have got a dedicated team which is working on reducing the NVH level, the noise level, harshness level, and we are going into linear actuators.

These are some of the areas that we are very strongly working on. Once those products come online, we will be demonstrating our technical capability and convert them into products. Now, moving on to the two-wheelers. Two-wheelers is where we just thought there should be a rub-off from this, and we started working on it.

There, again, we have got, I would say, a good amount of leverage by showcasing our technology, including, let us say, the EVs that we are talking about, even including Royal Enfield, the Flying Flea, we have our actuators in them. Therefore, I would say the play is working out well, both in terms of being a global platform and also being touted as a technology player, having access to this technology and developing this technology for the Indian market.

Ravi Purohit: Okay. Okay, great. Thanks for that. Second was, I think we've been working with quite a few of Chinese OEMs over the years, and I think you just alluded a few questions back about working on some 20-odd projects with the Chinese OEM. If you could just kind of share your perspective or experience of working with Chinese OEMs so closely in terms of how cost-competitive are we vis-à-vis other Chinese suppliers within, how competitive is that market, and what does it mean for us to be kind of working on, let's say, 20-odd projects with a Chinese OEM in their market? If you could just share some of the experiences or anecdotes of that, it would be very helpful for us.

Ajith Kumar Rai: Yes. First of all, I think we are competing with the Chinese suppliers of cables also in the global market. As you have seen how strong our ramp-ups have been and how we have been able to get businesses from the competition or win new businesses. We have been competing with Chinese in the global market all these years, so we understand what their cost base or what their advantages are. Now, coming to China itself, we have gone to their own playing field and trying to compete in their own field. I think what we are able to showcase to some of these big automotive guys is that our global footprint is what is the winner for us, unlike any other Chinese cable makers.

There hardly, or rather I would say there's no one who has got any kind of global footprint that even matches what we have. When the Chinese EV or other manufacturers want to go global and have to have certain decent local content, I think they have to first of all look beyond China and at a global player who has that capabilities.

Now, the pricing is the issue, yes, but today we have developed this particular EV, I mean, today is the number one in the world, is that it is with the local competition, and we have been able to compete with the current supplier and get those businesses as they feel that we are a better supplier for their global markets. We are fighting with them. The prices are great. Well, we have a reasonable margin. Is it a great margin?

I would always like to have a much higher margin, but if you look at the total basket, we are still fine to deliver what we are committing to ourselves and to our investors. It is a competitive market, I think, but we are there, we are playing that game, and we are winning businesses.

Ravi Purohit: Okay. Last question, sir. I think you, at the beginning of the call, you mentioned that we feel that the second half will be better in terms of margins. What gives you confidence on the margin outlook for the second half? Is it the product mix or is it the cost takeouts that we had done over the last one and a half year? Is it basically cost-led or is it new business-led?

Ajith Kumar Rai: I think, again, one is, of course, it is also to some extent new business-led because some of the old contracts which we did not have a reasonable margin, we discussed this about LDC business, etcetera, in the past. I think that is going off the table and some new businesses coming in.

That is one part of why we think our margins will sustain. At the same time, you are right. The commodity markets are still very, very volatile. What is happening is that we are able to now, after the H1, we are now able to get some insight into what customers' response to such volatilities, and that has been, I would say, reasonably fair. Yes, we are not getting 100% of what we want. Maybe we are getting 80% or 90%, but we get going in life.

Looking at all that, I think the margin guidance we have given is there in our earlier press brief also. Currently, we are probably at a little bit lower end of that. I mean, for example, GCM at whatever, 10%+, whereas we have said 10%-12%. Our aspiration is to go higher up on that chain. That is more than 50% of our business. ICM has gone through the first quarter pain. Second quarter, you have seen how it has recovered, and we expect that to continue.

That is another comfort that we have. Similarly, on Phoenix Lamps also, now that we have been able to reprice our products in the marketplace and the largest retailers, the pricing is fairly decent, so that is ramping up. We continue to be comfortable that that will also develop the double-digit margin. The electronics division is probably going to the biggest challenge now because of the huge volatility in electronic component prices.

That is taking a little more time to convince the customers, so we are in that debate with them. Looking at an overall point of view, we expect the H2 margins to be better than H1 margins in terms of percentage. We do not know how the markets will again pan out in the next two, three months. But looking at the current point, I think that is what we think.

Ravi Purohit: Okay. Great. Thanks a lot, and we will back in the queue.

Ajith Kumar Rai: Thank you.

Moderator: Thank you. Next question is from Saket Kapoor from Kapoor and Company. Please go ahead.

Saket Kapoor: Yes. Namaskar, sir.

Ajith Kumar Rai: Namaskar.

Saket Kapoor: Hello? Yes, sir.

Ajith Kumar Rai: Namaskar.

Saket Kapoor: Yes, sir. Yes, thank you, sir. Sir, firstly, taking this actuator point ahead, taking into account the type of work that we are currently in the process, what should be the percentage contribution from the product going ahead, and what kind of capacity buildup have we done? In continuation to that, sir, this is the same product where we are competing with the likes of Igarashi Motors?

Ajith Kumar Rai: No. The answer is no for that, but I will ask Akhilesh to answer this, our various product development on actuator platform maybe. Akhilesh?

Akhilesh Rai: Most of our actuators right now are coming with a cable attached to it. It is a motor plus a plastic housing, plus a PCB and some software to control the actuator, and a control cable or mechanical cable at the end of it, which usually pulls a seat or a headrest or an armrest. We do not look at this as something separate from our cable business. This is part of our cable business, and whatever businesses that come into it are a kind of a premiumization of our cable business.

We do not look at it separately as a separate type of product. It is an addition to the cable product. You talked about Igarashi, and Igarashi mainly makes the motor. We use motor manufacturers like Igarashi. There are three, four, there is Igarashi and Johnson Electric in India, and then there are a couple of others outside India. China has many.

These are the small motor makers that we source motors from, and those motors are then incorporated into these actuator systems, which we then supply to both seat makers or in India to two-wheeler makers or to the charging gun manufacturers, wherever these actuators and solenoid and motor-based actuators are needed. I hope that answers both the questions.

Ajith Kumar Rai: Yes. To add to what Akhilesh said, I think I should also say that, earlier somebody else also asked this question. When we acquired LDC, we get their actuation portfolio, but what we realized that the NVH levels of these actuators were at a much higher level. I mean, it was acceptable. It is even acceptable today. But we found that the customers, particularly the EV-connected customers, expecting a lot less noisy actuation.

Our team has worked on these LDC products and come up, or at least the new launch Mohan talked about a third row, multi-fold and tumble systems that we are developing, is with these new actuators that we are developing, whose NVH levels or noise levels are much, much lower than what we originally inherited from LDC. I think that is the development STC has done.

Similarly, what we are doing is that we are developing multiple platforms of actuation, maybe one with the 100 Newton capacity, one with the 200 Newton, and one maybe with the 400 or 500 Newton actuation, so that these actuators can be used for different applications. One may be requiring a high force, one may be requiring a low force. These are all the variations we are providing to the customers now, which is a significant advance from what we acquired when the LDC had to offer us one type of actuator.

There is a significant development. There is one vertical within STC who is working only on actuation technologies. I think that is what you will see in the next one to two years, these technologies getting adopted and delivered to customers, as Mohan was alluding earlier.

Saket Kapoor: Correct, sir. Sir, just to add to the opening remark, wherein particularly the European geography and space, particularly Germany was mentioned by sir that we are seeing some weakness from those customers there. Can you elaborate, sir, what exactly for the geography of Germany you wanted to pinpoint to? The second point was, sir, that the capital work in progress closing balance on the consolidated level is closer to INR50 crore. What kind of volume additions do we expect post-capitalization, or is it mainly particular to the STC completion? I think that is also in the annual.

Ajith Kumar Rai: Yes. I think it's mostly STC consolidation only when the project is completed. I think that's the major capital work in progress as we see it. There is a few something ongoing. What was your first part of the question? Sorry, I missed it.

Saket Kapoor: My first part of the question was Germany part, sir. It was-

Ajith Kumar Rai: Ah, the Germany part. Okay. No, yes, German market or European market in general, it's not necessarily Germany, is pretty slow and weak. You must realize what has happened with us is that we have won significant businesses from all these marquee customers out of Europe. The point is they are getting deployed now, but the volumes, if their offer said, which is 500,000 sets per year, that has probably has become 300,000 or 400,000 sets in terms of cars.

That is okay with us. Our European business is still growing because we have won new contracts over and above our existing contracts. So, although the underlying market is weak, as I said earlier, I think we'll continue to grow even in Europe.

Saket Kapoor: Correct, sir. Firstly, I also want to congratulate the team, sir. When we take the net off of the other income part, we have done a very good job in terms of posting higher profits for the quarter in terms of this challenging market. I am coming to my question that, sir, what other steps are in the annual for creating your shareholder value, sir? That has also, I think, a lot of restructuring has gone through.

We are now reaping the benefits of the same in terms of the volatility. All other aspects aside, when will the valuation part of which is accruable to you as also as to your minority shareholders will come into play, or what will be the inflection point that we investors should and need to keep in mind? Second point is pertaining to our advanced tax payment, sir. How much have we paid for the first half? If you could just elaborate on these two.

Ajith Kumar Rai: I don't have the data on tax. You can come offline. I think this is a public knowledge because it has been given to the government tax department. I don't know. It will be slightly higher, certainly higher than last year, but I don't know the number, frankly. Coming to the question of investor thing, I think, I am not a market expert, so I cannot comment on how the market will behave.

All I could say is that, 2025, 2026 were the years where we have consolidated our two major acquisitions. Both were highly challenging, multi-geographical, multicultural acquisitions. I think all I would say, with a little bit of humility, is that I think very few people have been able to do multi-geography, multi-unit acquisitions and assimilate it nicely without going into too much of trouble.

We did go through a little bit of margin dip last year because of that, and we have made it very clear that we are going through it and that we will come out of it. If you look at the last two quarters, we will know that we have done what we have said we will do. I think that's all we can do. We will continue to perform well. I think the second half, we have said the margins expected to be better than the first half. That's the best we can say in terms of the guidelines. I mean, how the market behave to what we say is difficult for us to estimate. So, I leave it to you guys to decide where our pricing should be.

Moderator: Thank you. Next question is from Nikhil Rao from ithoughtPMS. Please go ahead.

Nikhil Rao: Yes. Thanks for the opportunity. I have a couple of questions on braking. How do you read the proposed performance-based norms? What kind of hardware do you expect OEMs to use to meet these stopping distance targets on EV scooters? Is it going to be a mechanical, enhanced mechanical CBS, or are they moving towards a hydraulic CBS with a front disc and caliper? Could you provide some insight on this?

Ajith Kumar Rai: Akhilesh?

Akhilesh Rai: Yes, I mean, I think there is no real specific. There are multiple ways an OEM can improve their stopping distances. They don't have to go into a hydraulic brake system. There is motor-based braking, there is ABS, there is CBS. You can also use better friction materials to achieve a better braking distance. I don't see any specific, let's say, trend from the OEMs. I think there is a general trend towards hydraulic, but that is not from an improved braking distance point of view, but more from a, there is a consumer perception of the disc brake system being a better option than a drum brake system. I think that perception is there, which there is a general trend towards having more hydraulic brakes. But in terms of performance-wise, it doesn't have to be hydraulic brakes, or CBS is not specifically a solution to improve braking.

I see different OEMs taking different routes. If you're a cost-sensitive OEM, you look at options within the drum brake to improve braking. If you are looking at going to a more premium vehicle, then you look towards hydraulic brake systems and ABS and CBS. There is no single answer for this question. Thank you.

Nikhil Rao: Okay, got it. Regardless of the tech, you still are going to have the full suite of products to be able to cater to that, right?

Akhilesh Rai: Exactly. Correct. Yes.

Ajith Kumar Rai: Okay. Moderator, I think it is 12:07 P.M. We will probably take one more question. It is more than an hour now.

Moderator: All right, sir. Thank you. We will take the next question from Nipun Sharma from VLS Finance. Please go ahead.

Nipun Sharma: Good afternoon. Am I audible?

Ajith Kumar Rai: Yes.

Nipun Sharma: Yes. I just wanted to know about the margin guidance that you provided for the upcoming two to three years. Apologies if you have answered this question already in this phone call or if you have mentioned this in any form, but I have joined this phone call a little late. If you could provide the margin as well as the revenue guidance for medium term, that would be very much helpful.

Ajith Kumar Rai: I think what we have, we are just standing by that margin that guidance we have given in the beginning of the year, when the year ended last year, where the consolidated margins we have said will be between 12%-13.5%. In global cables and mechatronics, it will be between 10%-12%. Basically, in the ICM, PLE, and SED, we said it will be a comfortable double-digit, more or less in line with the previous year.

These are the guidance we have given. Between these divisions, there will be some minor ups and downs, but together, the guidance between the console as well as the global cables and mechatronics, I think they will be the guiding force for the general guidance.

We have also said that the margin, the growth has been very strong in the first half, and that we are expecting to continue to maintain our growth projections as well, with probably slightly positive trend towards for the overall year at a higher level than what we have guided in the beginning of the year. We have also said that in the second half, the margins are likely to be slightly better than the first half, and that these margin on the GCM as well as on the consolidated, we are likely to slightly move up a little bit is what we have guided earlier in the day.

Nipun Sharma: Okay. Just one last question if I could squeeze in.

Ajith Kumar Rai: Please go ahead.

Nipun Sharma: Yes. Okay. What is the guidance for PLE? I mean, considering the Trifa sales have been subdued for two to three quarters, if I am not wrong. So what is the outlook for it?

Ajith Kumar Rai: Yes, I think the Phoenix Lamps also we have said that due to this significant ramp up from the world's largest retailer happening as we speak, the margin in that business is fairly decent, and that we are continuing to We have been able to pass on the price increases to customers in the aftermarket. You have seen that the Q2 margins has nicely popped up. So we have continued to

say that for the year, the margin will be more or less on an average will be similar to what it was last year. So that will be in double- digits.

Nipun Sharma: Okay. Thank you very much, sir. That is it from my side. That is all. I appreciate it.

Ajith Kumar Rai: Thank you very much.

Moderator: Thank you.

Ajith Kumar Rai: I think that should. Is there more questions?

Moderator: Sir, we are taking that as the last question for today.

Ajith Kumar Rai: Yes. Okay. Fair enough. That is good. Thank you very much. I appreciate all of you for joining this quarterly call and appreciate your continued interest in Suprajit. Thank you very much. Thank you, Anand Rathi and the moderator for organizing this call. Thank you.

Moderator: Thank you very much, sir. On behalf of Anand Rathi Shares and Stock Brokers Limited, that concludes this conference call. Thank you all for joining us today, and you may now disconnect your lines.