PRICOL LIMITED
Passion to Excel

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CUSTOMERS EMPLOYEES SHAREHOLDERS SUPPLIERS

PL/SEC/TGT/2026-2027/067 Tuesday, 4th August 2026

Listing Department **National Stock Exchange of India Limited** "Exchange Plaza', C-1, Block G Bandra-Kurla Complex, Bandra (E), Mumbai - 400051	Corporate Relationship Department **BSE Limited** 1st Floor, New Trading Ring Rotunda Building, P J Towers, Dalal Street, Fort, Mumbai 400 001
Scrip Code: PRICOLLTD	Scrip Code: 540293

Dear Sir,

Sub: Con-call Transcript

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the Transcript for the Con-call held on Friday, 31st July 2026 at 04:00 PM (IST) pertaining to Company's unaudited financial results for the quarter ended 30th June 2026.

This is for your information and records.

Thanking you

Yours faithfully,
For Pricol Limited

T G THAMIZHANBAN
Digitally signed by T G THAMIZHANBAN
Date: 2026.08.04 16:44:52 +05'30'

T.G.Thamizhanban
Company Secretary
ICSI M.No: F7897

Encl. As above

PRICOL Limited
Q1FY'27 Conference Call
July 31, 2026

Moderator: Ladies and gentlemen, good day and welcome to the PRICOL Limited Q1-FY27 Earnings Conference Call.

As a reminder, all participant lines will remain 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 the operator by pressing "*", then "0" 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 opening remarks. Thank you and over to you.

Purvangi Jain: 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 Limited.

On behalf of the company, I would like to thank you all for participating in the Company's Earnings Conference Call for the 1st Quarter of the 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 as well as assumptions made by and information currently available to the management.

Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decisions. The purpose of today's Earnings Call is probably to educate and bring awareness about the company's fundamental business and financial quarter under review. Now let me introduce you to the management participating with us 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. Priyadarsi Bastia – Chief Financial Officer.

Without any delay, I request Mr. Vikram Mohan to start with his opening remarks. Thank you and over to you, sir.

Vikram Mohan: Thank you, Purvangi, for the introduction. On behalf of my colleagues in this conference room, namaste, ladies and gentlemen, and welcome to the Q1 Earnings Call for the Financial Year ending 31st March 2027.

On a consolidated basis, our revenue from operations has been about Rs.1083.58 crores with an EBITDA of Rs.123.69 crores with an EBITDA margin of 11.41%, resulting in a profit after tax of Rs.67.02 crores with a PAT margin of 6.19%, resulting in an EPS of Rs.5.50 per one rupee share.

All our performance details have been uploaded, and I hope all of you have had a chance to see the same. Our revenue from operations in comparison to the same quarter for the last financial year has grown by 23.46%, which has been aided by strong industry growth as well as our new product introductions, which has helped us with this growth. The EBITDA has faced some headwinds, as I had already indicated earlier.

Our EBITDA, on a quarter-on-quarter comparison between the same quarter for FY26 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 the roof. LPG prices have gone sky high.

Freight costs have increased. There has been surge pricing. There has been premium pricing.

And minimum wages in three states that we are operating have also gone up very sharply because of the government intervention in the 1st Quarter. While these are not lost earnings, these earnings are delayed and will be recovered through indexation, not entirely, but a large part in the corresponding quarters. As the automotive industry typically has indexation for things like Forex commodity, which are indexed either quarterly or half yearly, we are endeavoring to make everything quarterly indexing.

So, by the next two quarters, we will recover whatever earnings that we have lost this quarter on account of all these increases in costs and headwinds. Our PBT for the similar period against Quarter 1 FY26 versus Quarter 1 FY27 has grown by 32.23% and the PAT also has grown by 34.34%. In terms of industry outlook, demand continues to be robust, but the resumption of the war in Iran and those neighboring regions will continue to have an impact on the rupee, which is at an all-time low against the US dollar. And since we are dependent on a significant amount of imports of electronic child parts for our business, this will continue to hamper our profitability, not the top line, which of course we will recover in corresponding quarters.

Crude oil prices have also firmed up, prices are increasing and expected to further increase in the coming quarters because of the ongoing crisis. Freight rates are also at a high and expected to remain high for the next few quarters at least from the shipping providers, the intelligence provided by them is at least for the next four 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 like aluminums die casting and Polymer, even for memory controlled devices, which we are dependent on heavily, prices are increasing very, very sharply quarter on quarter because of the huge demand created by the AI revolution happening across the world.

We are mitigating some of these increases through VAV, value analysis and value engineering and productivity enhancement activities and also requested customers for offsetting part of these costs, but some degree of cost will be unrecovered and there will continue to be impact on EBITDA till all these global crises resolve and there is some semblance of normalcy returning to the world. While we endeavor and promise to continue to grow the business with our revenue, EBITDA we believe will continue to remain under pressure for the next couple of quarters till normalcy returns.

As I mentioned, it is not lost earnings, but delayed earnings which will come in the subsequent quarters.

With this, I would like to move to the question answer session. As a matter of protocol, we would like to ask people to align in the question queue and restrict yourself 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 their question.

Thank you and over to you Purvangi.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. We take the first question from the line of Chandramouli Muthiah from Goldman Sachs. Please go ahead.

Chandramouli Muthiah: Hi, good evening and thank you for taking my questions. My first question is just around the announced demerger. I just want to understand the thinking behind the proposed demerger and also trying to understand sort of at this stage, I think we have been very successful in instrument clusters, which has been the core business.

Sort of the combined entity does give us multi-product exposure, but through the demerger, now the core business again becomes sort of a separate entity with single product exposure. So, just trying to understand the thinking behind the decision to demerge from the company. I will just quickly answer that.

Vikram Mohan: Thank you, Mr. Muthiah. This has been something that we have been debating at a board level and at a strategic level for over two 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, be it a two-wheeler or a four-wheeler or a commercial vehicle, the climate control is integrating, the infotainment is integrating, the driver information is integrating, and the technological change is becoming very, very rapid. For PRICOL to continue to maintain its lead in this space and to take on the multinational competition, we will be required to invest large sums of money and also bring on board potential partners in order to help us strengthen this business. When all the businesses are merged in one company, we found it very difficult to attract the right kind of investors because each of the business has a different sort of investment appetite.

So, both to attract investments and because we didn't want to go with extensive borrowings, we wanted a judicious mix of debt and equity and also to attract certain technological partners that we will be forced to onboard in order to maintain our lead in the business. After multiple discussions at a board level and with strategic advisors, we took the decision to demerge this business to give it a lot more agility in order to be able to raise money as well as look for partners to keep maintaining the lead in the business. I hope this answers your question, Mr. Muthiah.

Chandramouli Muthiah: Thank you very much and I will join back to you.

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

Shivam Kabra: Thanks for taking my question. Sir, basically in the board to demerge business, how we are expecting the growth rate to be on the three-year basis line? We are looking for global partners. Earlier also we had a relationship with Denso and **Johnson** but that didn't work out well for us. So, now what gives us the positive signals that this time it can be better for that?

Vikram Mohan: Denso was a very, very old relationship which started in the 80s and 90s when PRICOL lacked technology altogether and we needed it. Today, PRICOL has technology for the driver information system space. But to integrate things like infotainment, we are not an infotainment company or climate control, not climate control but climate control systems. We need to integrate all of that in order to be a credible player. So, we are not hurrying to look for a technology partner. We are keeping our eyes out.

We are evaluating people to fill gaps in the technology or perhaps to give us larger scale to be able to cater to a global market. We may have to onboard a partner because many of the Indian OEMs are also going overseas. And for us to be awarded programs, even for international OEMs, they need international presence through a partner.

More importantly the capital needs of the business is going to be high in the next couple of years as we have stated in our demerger document why we are going for demerger. In order to give us the flexibility to see capital and technology partners both for technology and for market reach, we felt it was best to demerge this business. In terms of growth, we will continue to maintain this growth clip that we have been maintaining in the last two years, in the coming years also, in the driver information system space.

In the ACFMS business, we are hoping for a larger growth clip because of our growth rate, because the introduction of new products, the first of the LOAs have started coming in and productionized. In the Polymer space, the growth is going to be muted as mentioned by me in the last call because of lack of capacity, not lack of business. We have won a lot of business for which we are creating capacity, but that will take the next 9-12 months to mature, after which that business also will maintain a very healthy (+20%) growth rate.

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

Jatin Chawla: Hi, good evening and thanks for the opportunity. Given the RM situation in the quarter and also given your cautionary stance post the Q4 call, I think you have done a fantastic job in limiting the decline only to 160 bps on gross margins and with control on other expenses largely maintain your EBITDA margins. So how were you able to do, you know, maintain, limit the decline on gross margins to only 160 bps during the quarter and on both gross margins and EBITDA margins, how did you see the outlook going forward especially in the context that you mentioned that you will get some price hikes from your customers going forward?

Vikram Mohan: Ideally, Mr. Chawla, I think we should have done at least another 1.5% to 2% overall margin would have been better because the fixed costs have got amortized on a larger top line base. In fact, the Polymer business probably took a bigger impact than the driver information systems business. And with the prices being corrected, at least about 75% of our revenue, Q2 we will get some indexation and the balance will go to Q3 because of the half yearly indexation which also we are trying to improve.

It will help, but the minimum wage cost increase of about approximately 21 crores per annum because of the government regulation, we are still navigating with the customers to see how much we can absorb and how much they are going to absorb. That is a work in progress. So, definitely we can see improved margins happening in Q2 and Q3 provided the rupee does not further weaken because there are some indications being given when we talk to the market that the rupee could touch three digits against the dollar.

And prices could further increase and crude oil prices also could go back to the 90s. So, it is anyone's guess. If things remain as it stands, we believe at least another percentage, half of EBITDA is still there in the system to be had through price increases and indexation from the customers.

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

Preet: Thank you for the opportunity and congratulations on good set of numbers. My first question would be on lines of margin upfront which you mentioned that if everything stays same where it is now, what would be our annualized margin level?

Vikram Mohan: Our ideal margin level for normal operations should be as I have always maintained between 12.5-13% which is the steady state margin so that we are not losing business, maintaining our share of business because if we endeavor to increase our margins beyond that, then competition will undercut us. So, 12.5-13% margin is what I have always maintained is the blended margin that is right for our company to maintain our share of business and that is what we are endeavoring to get quarter on quarter and that is what I said we have lost about 1.5% margin this quarter in terms of EBITDA.

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

Hitesh Goel: Thanks for taking my question sir. I just wanted to understand if you can give us some sense on the growth in this quarter on a YOY basis in the ACFMS business and DIS separately and also in two wheeler segment within DIS, what was the growth in this quarter? This is my first question.

Vikram Mohan: I will request our CEO and Executive Director – Ganesh to answer that question. There are three parts to the question. One, what is the growth of DICVS business for this quarter? What is the growth of the ACFMS business for this quarter and specifically what is the growth of two wheelers for this quarter? So, Ganesh will answer that in three parts.

P.M. Ganesh: Good evening. The growth of both DICVS and ACFMS has been around 25%. Both of them have equally grown because we supply to the same set of customers both these vertical of products. So, the growth has been the same. The second part of the question was what is the two wheeler growth? Actually we have outperformed the industry in terms of the two wheeler growth. The industry during the first Q1 has grown by about 23% and the PRICOL has grown by 28%. That is primarily because as our Chairman explained, it is because of multiple new product introduction during Q1. Is there any other questions which you have not answered?

Vikram Mohan: No, these were the three questions.

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

Sahil Jain: Hi sir. Thanks for taking my question. Centre of Ministry of Road and Transport, highways have relaxed the norms on ABS and CBS. So, Bikes can now use more of CBS in their system. So, I just want to understand how will that impact our ACFMS business?

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

Moderator: Thank you. We take the next question from the line of Bhavya Vyas from Ants and Bees Investments. Please go ahead.

Bhavya Vyas: Thank you for the opportunity, sir. Could you update us on the progress of your disk brake program? It is a large two wheeler OEM has production has commenced. When will you expect us to make a meaningful revenue contribution?

Vikram Mohan: We are just not able to hear you. There is a lot of echo, Mr. Vyas.

Moderator: 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: Good evening, sir. My question is related to the capital expenditure that you shared in your last call. Could you give a break-up of the same between the two proposed entities and the timelines, as in how much will be incurred in FY27 and FY28?

Vikram Mohan: We have embarked on a 700-crore overall CAPEX cycle across all divisions of the company, not just in 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 lot 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. And about 300 crores is for the other two verticals of the company. Approximately 150 to 180 crores will be for the DICVS vertical and about 120 crores for the ACFMS vertical, broadly speaking.

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

Shubham Batra: Hi, sir. Congratulations on a good set of numbers. Thanks for taking my question. I wanted to ask about how our business with Honda ramping up and what kind of wallet share are we looking from them in FY28?

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

Madhura Mohan: Thank you for the question. Our business with Honda at the moment is quite robust. We recently won a good share of business from them for our plastics division as well, totaling to a very handsome sum. Our current business at a group level is quite healthy. As I mentioned, we are also exploring new opportunities in both the DICVS and ACFMS verticals and we see them as one of our strategic growth customers in the upcoming future.

Vikram Mohan: In fact, plastics, we have even put certain business on hold. Honda wanted to give us more business than what we wanted, but because we don't have the capacity and it's going to take some time to create the capacity, we said we will take it in phases. But Honda is going to be one of our high value customers and high growth customers in the next three years.

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

Naman Gulacha: Thank you for the opportunity, sir. So, my question is related to the cluster business. We are seeing there's a pivot towards the e-cockpits and the premiumized and higher-end vehicles. So, where are we positioning ourselves in this e-cockpit business and do we foresee any orders coming in or potential OEMs that are working with us for this e-cockpit business?

Vikram Mohan: Mr. Gulacha, let me just say the e-cockpit in a two-wheeler is probably not going to happen because there's no real estate on a two-wheeler to put an entire e-cockpit. Has Pricol developed an e-cockpit and proved it to the customer? The answer is yes. The absorption of e-cockpit in the Indian overall automotive industry space is going to be very less. It is going to be a very small amount that is happening. We have shown the proof of concept to our customers and they have accepted it. But I must admit that some of our multinational competitors will have an edge over us in the e-cockpit because of the global buying advantages. And we will continue to focus on two-wheeler and commercial vehicle and off-road vehicles where the adoption of e-cockpit is not going to be there. But having said that, we have developed a world-class e-cockpit technology and shown it us to our customers to make sure that it is available as part of our portfolio.

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

Prolin Nandu: Thank you for taking my question. My question is on the DIS business which you plan to demerge, you mentioned about the technology tie-up, right? So, could you just help us understand as to when you think about increasing the value-add in this segment or moving into passenger vehicles as well, what is it that we can do in-house and where is it that we can do it? Because we will require the technology partnership, right? And when I think about some of the technology leaders, they have tie-up of some sort in India with some of the other players. So, are there very few technology partnerships which are left for us to be taken into consideration? Is that how the industry is? So, just some sense on the limitation of technology partnership and what can we do in-house and what will require technology partnership for us to go ahead with?

Vikram Mohan: I think that many questions rolled into one, Mr. Nandu. But 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 the passenger is talking to the vehicle or reading information from the vehicle is not just restricted to speed or fuel level or indication. It is also integrating the infotainment which is becoming a very important part and controlling the air conditioning is also becoming a very important part. This is where we will perhaps go for some technology partnerships or technology tie-ups because for us to do a grounds-up development will take many years. It is not impossible, but it is going to take us many years and we may miss the bus. That's point number one. Point number two is today PRICOL has a disadvantage in we have only primarily India and Indonesia-based manufacturing. Today many models are being launched globally. So, having a partner, not a technology partner but a partner will help us offer the same platform. Let us say, for example, Mexico is now emerging as a very large market and Honda has now started talking to us for not just business in India but also business overseas. Now will it make sense for PRICOL to go and set up a plant in Mexico till the volumes reach maturity?

The answer will be no because it is not going to be prudent for our return on investment or return on capital employed. Certain markets in Europe we are being asked for products and local production especially now with the era of tariffs. So, it is prudent for us to have a partner who can manufacture our product and supply it in a geography without us having to invest in those geographies.

So, it is a two-pronged approach that we are looking at. One for technology and one for ensuring that our share of business with our critical customers are being maintained. Because one thing, Indian two-wheeler industry probably has reached the highest level of maturity in the world.

Many other parts of the world are now using Indian technology what has been developed on a Honda two-wheeler in India or a Suzuki two-wheeler in India or a TVS or a Bajaj or a Hero whatever it may be. It is now percolating to the other countries in the world and since we want to maintain our leadership position in two-wheelers globally, it is important for us to have certain local partners in certain geographies in order to be maintaining our market share. So, one is on the technology side, and one is to cater to certain markets and geographies where we don't have geographical manufacturing.

Prolin Nandu: Hi sir, thank you for the opportunity. I just wanted to know what sort of value addition in terms of product portfolio are you planning to do in the Precision Product division? And also what would be the ROCE of the ACFMS segment for the company?

Vikram Mohan: Because the precision products or rather the Polymer division, but we have also now developed some high technology products. We have done some segment first, especially now for the new Tata Tiago. We have done some very interesting products and saved money for the customer also. We are moving up the value chain, but having said that, We are setting up a center of excellence in Polymer technology as we speak which will completely become operational by May of 2027. But having said that, we have already started investing in product development, new product. We have invested in 2K Molding which is one of the first. We are now going for self-healing plastics. This is a very interesting technology where a painted part or a Polymer part, if there is a scratch, you don't need to go for painting. Just by application of heat, it will self-heal and the scratch will go away. We are also looking at fiber reinforced plastics which will replace metals and give almost the rigidity and the flexibility of a metal part in order to light weight. So, these are some of the things that we are looking at. The ROCE for that business will remain muted because we are going through a very heavy investment cycle for the centre of excellence. We are backward integrating by building our own tool room which didn't exist which is giving us advantages in acquiring customers especially like Honda, Yamaha, Royal Enfield, etc. And also we are putting up new plants. We have a state of the art plant coming up in Hosur. We have a plant that is getting commissioned in Mysore. We have a plant that is

Greenfield that is getting commissioned in Aurangabad. We have a plant that is getting commissioned in Gujarat in Sanand for Honda.

We have a plant that is just starting construction in Bhiwadi and in the NCR region to cater to the northern customers. Because of this heavy investment cycle, ROCE will drop and then get back to a steady state of between 16% and 18%.

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

Maulik Chaudhary: So, thank you for giving me the opportunity. I just wanted to know the revenue contribution of all the three business verticals and any update on adding a new customer in the PV side.

Vikram Mohan: On the PV side, we have now engaged with Mahindra. Our customer acquisition has been very robust in the Polymer business because earlier that business was owned by the TVS group. And so the other two-wheeler customers, the market, was not open to us. So, we have now acquired quite a few two-wheeler customers in the Polymer business. We have acquired business from Ather. We have acquired business from River. We have acquired business from Simple Energy. We have acquired business from Raptee. We have acquired business from Honda. We have acquired business from Royal Enfield. We are just on the final stages of acquiring business from Yamaha. A few other customers we are also talking to, but it has to be profitable.

So, we are only going after profitable business. For the switches business, which is the recently launched business, we have acquired our first business from Suzuki and engaging with a few other two-wheeler makers. I would request on our ACFMS vertical some of the new businesses that we are in negotiation and inquiring.

I would request our head of customer relationship management, our director Madhura, to answer that please.

Madhura Mohan: So, we are actively working on acquiring business for all of 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 on growing that particular vertical very significantly in the upcoming years. We have also started production on disc brakes for one of the major Indian OEMs as well, which is again a positive sign for that particular division and the future products that we are planning to grow there. We have also been discussing some export businesses with some of our larger customers in the European and American regions as well. So, we are very positive about the growth of that division.

Vikram Mohan: And in the DICVS division, we have just started engaging with Mahindra to make an entry into Mahindra, which we were hither to be present its early days as yet.

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

Khush: Thank you for the opportunity. My question was regarding our growth rate. So, considering the new products that are in pipeline, the new business that we have won, so like you mentioned that the plastics business, our earlier target was to, I think, double the revenue on the basis of 25 in the next three years. So, considering there are capacity constraints, although we have orders, so how does that change? Is it still intact or pushed a bit? And accordingly, similarly for the DIS and the ACFMS business, if you could elaborate more on the growth rates and what are we expecting over the next maybe three years?

Vikram Mohan: The plastics business, I said we will, when we acquired the business, whatever numbers we had in FY25, which we just had one and a half months of operation, we said we will not just double, we will do two and a half times will be our endeavor to achieve. And with the capacities we are creating and with the business pipeline that we have, my team and I are very confident of achieving that number and that is not going to get pushed out because all the plants are coming up on schedule barring a month or two delay because of steel supplies or monsoonal, unseasonal rains, etc. There has been no significant delays.

In terms of the DICVS business, we will continue to maintain a delta over the market growth rate of at least about 5% with the new business that we have acquired. In the ACFMS business, we do not want to settle for just a 5% growth rate over the market. We are aiming for a 10% growth rate over the market to ensure that that division grows aggressively as we have introduced new verticals like switches and disc brakes.

And the next focus is on exports, which we have started working on, which will start yielding results in the next two to three years. We have already won certain committed volumes from certain export customers also.

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

Preet: Thank you so much for the follow-up question. My question is on the line of DICVS business. If you could just give some idea on how the TFT penetration is going on across segments like 2 wheelers, PV, CV and what would be our market share in each of those segments? My question is on the line of DICVS business. What would be our market share across segments and what would be the TFT penetration across the segments, 2 wheelers, PV,CV, etc.?

Vikram Mohan: what is our market share in DIS its segment wise its is different in two wheeler DIS business we have largest in India with 30-35% volume share in CVs we have almost two third market share to CVs off road vehicles In passenger vehicles, we just have about 8-9% market share because at this point in time, we are only dependent on Tata Motors, where 8 out of 10 Tata cars are coming out with a PRICOL cluster. In terms of TFT penetration, I would request my CEO Mr. Ganesh to answer TFT penetration in the 2-wheeler industry specifically.

P. M. Ganesh: Two-wheeler Currently, the penetration has been more in the EV segment of the 2-wheeler and now the ICE vehicle also is seeing traction in terms of the TFT penetration. Currently, it is a very small percentage. About 7-8% of the total 2-wheelers produced is having TFT clusters. But we see rapid growth in the next 2-3 years of doubling this percentage in terms of TFT adaptation.

Vikram Mohan: I would just like to add there that for cost optimization, the 2-wheeler OEMs are also looking at a hybrid cluster which is a part LCD, part TFT which will also be rapidly evolving because of cost consideration.

Moderator: Thank you. We take the next question from the line of Shri Ram from iThought PMS. Please go ahead.

Shri Ram: Hello sir. Could you provide the timeline for the demerging process?

Vikram Mohan: It is a million-dollar question. Sorry, because it is dependent on so many governmental agencies and multiple steps. But we have been told it will take at the very minimum 4 quarters or could be longer.

But we hope that we don't have any roadblocks and it goes smoothly because we are not a multinational operating in multiple countries. It is a fairly simple operation. We have been told by our investors that we are not the experts with SEBI and ROC and various NCLT and all the steps concerned.

But if you recall, Vedanta said they will do the demerger in 6 months. It took them 18-24 months in spite of their might and size. So, we hope it will be completed in 12 months.

But in terms of operating the businesses like demerged entities, from October more or less each of the divisions will be operating like demerged entities in terms of manpower, manning etc., in terms of investments etc. Internally we will be starting to operate like demerged entities by October and by December it will be fully operated like demerged entities so that when the demerger happens it becomes easy.

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

Shivam Kabra: Thanks for taking my question back. My question is regarding company plans on mergers and acquisitions and in which segment are we planning to go ahead?

Vikram Mohan: We are not able to understand you at all Mr. Kabra. I request you to be louder and slower please.

Shivam Kabra: What are the company plans on merger and acquisitions and in which segment are we looking forward to?

Vikram Mohan: We have put a pause on mergers and acquisitions, though I mentioned that we were evaluating certain acquisitions earlier. When we went through the due diligence, we were not very happy with the quality of the assets. As I have maintained, we are only looking at buying quality assets and not distressed assets or assets with fundamental issues in either technology or quality of management. So, for the next one year, since we have a lot of new programs and a lot of capacity addition and also kind of demerging the company, I think we have our hands full and at yesterday's board meeting we took a call that till this demerger is over, we will focus on rapidly growing our business, getting these five new factories on stream, getting our partnership with BOE, the backlight module for the screen, the heavy investment that we are putting in, getting that on stream and streamlining each of the businesses, setting up the different center of excellences. We don't want to bite off more than what we can chew in terms of management bandwidth and so for the next one year, I don't foresee that we will pursue any acquisition opportunities unless something very attractive of the right quality at the right value comes up, but it is not a priority at this point in time.

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

Hitesh Goyal: Thank you. Can you please tell us about the disc brake revenue in this quarter and also in the capacity you said you will start with 0.5 million per annum capacity. How is that going to ramp up? Are there any new orders there?

Vikram Mohan: Did you allude to disc brake?

Hitesh Goyal: Yes, I was talking about disc brake. So, disc brakes, yes, so revenue in this quarter so that we can track the trajectory and the capacity and how it's going to ramp up.

Vikram Mohan: As I mentioned, disc brakes, the real revenues will only kick in from FY28. We are still in early stages. I have maintained this in an earlier call and I will continue to maintain the same because we are just starting to ramp up and starting to supply. Disc brake will be a product. Disc brake and switches will start to take relevance only from FY28 and this is what the standard I have maintained in the last four quarters and I will continue to maintain the same standard.

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

Nandan Pradhan: Hello, good evening sir and congratulations on a great set of numbers. I hope I am audible.

Moderator: Yes, please go ahead.

Nandan Pradhan: Hello, yes, thank you. So, if you could just a small bookkeeping question. If you could so throw some light on how our Polymer business has performed this quarter like you do every quarter in terms of the revenue, EBITDA performance so that we get a broad understanding of how our core business is also doing. If you could just help us with that. Thank you.

Vikram Mohan: Okay, in terms of performance while you have congratulated my team and myself on a good quarter, I think we could have done better like I said. Personally, I am not happy with our performance with the quarter. All our customers have declared superb results but at the cost of Tier-1 like us because of lot of our planned and other things we are getting delayed earnings which is going to come in second quarter and third quarter. I was jokingly telling some of my customers the same also. In terms of the exact numbers of the Polymer business, I will request our CFO to give you the numbers.

Priyadarsi Bastia: Good evening, Nandan. For Q1, the Polymer division has recorded a revenue of 249 crores with EBITDA of 7.8%.

Vikram Mohan: As I mentioned Mr. Pradhan, the Polymer business was perhaps the worst affected because the raw material of Polymer prices went up very high which we have since corrected for this quarter and next quarter and also LPG on which the Polymer business is dependent on has gone to stratospheric levels which again is getting corrected this quarter and next quarter. So, we'd have a much better, healthier EBITDA and healthier top line in Q2 and Q3 in the Polymer business. We could have grown had we had the capacity much more than this but as I mentioned, because of lack of capacity, we are not able to fulfill the full potential of this business which we will start seeing from FY28 onwards.

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

Kritin Arora: Thanks for the follow-up, sir. Just wanted to understand, once we are done with our CAPEX plan in the polymer segment, so who will be our most comparable peer or the competition in terms of product portfolio?

Vikram Mohan: It would perhaps be Varroc, it would be National Plastics, and it would be Premier Polyplast.

Moderator: Thank you. We take the next question from the line of Shugosh Rudrawar from Purnastha Investment Advisors. Please go ahead.

Shugosh Rudrawar: Thank you for the opportunity, sir. I just wanted to ask, can you throw some light on our FY30 target? As you said that we are pausing our M&A, does it affect our long-term target?

Vikram Mohan: I said I am not closing the M&A for posterity. We are taking a pause for a year because I think we have tremendous growth opportunities in our existing businesses. We are creating a lot of capacity in our existing businesses. We are looking at ramping up some of our new business verticals. We are creating centre of excellence for certain new products and we are going through a heavy CAPEX cycle. We don't want to stress our balance sheet. My forecast for FY30, what we want to achieve, continues to remain the same and it is only we are suspending M&A for a year. Again, if something compelling, interesting, at the right value, the right quality asset, we are not going to turn it down. But we are not going to actively look for M&A and my guidance for FY31, which is calendar year 30, remains very much intact for each of our businesses.

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

Hiten Boricha: Thank you for the opportunity. My question is on the Polymer business. As we mentioned, we are facing the capacity constraint as of now. If you can guide me, what is our current capacity and what will be our capacity post this Rs. 400 crore CAPEX?

Vikram Mohan: With the capacity that we are creating, we should comfortably go to about Rs. 2000 crores of turnover from our current Rs. 1000 crores of turnover that we are capable of producing.

Moderator: Thank you. We take the next question from the line of Bhavya Vyas from Ants and Bees Investments. Please go ahead.

Bhavya Vyas: Thank you for the opportunity. My question is on the BMS. Could you provide an update on the program's progress and has it entered mark order?

Vikram Mohan: Mr. Vyas, I have mentioned 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. This is something that I have been maintaining for three quarters. We are not looking at investing any further money or growing that business and that will not form part of our portfolio.

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

Rajit Agarwal: Thank you, sir, for the follow-up. Just a clarification on the top line for this quarter. Although we have done very well YOY, but sequentially it is flattish. Could you throw some light on which businesses did well and which businesses did pull down the growth? Was it because of the Polymer business? And if there is lack of capacity, then how do you see this top line recovering in the next two quarters?

Vikram Mohan: Mr. Agarwal, this is absolutely in line with the performance of the industry. Always Q4 is a high quarter in the industry and Q1 then drops, Q2 again pre-festive season sale goes up, Q3 drops and that is the cycle we have maintained, and we have grown higher than the market in each of our divisions. So, we have not lost any share of business whatsoever. There has been a loss of EBITDA because of external geopolitical factors and certain government statutory things of minimum wage increases which we are trying to recover in the coming quarters.

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

Preet: All of my questions have been answered.

Moderator: Thank you. We take the next question from the line of Siddhartha Matthew, an Individual Investor. Please go ahead.

Siddhartha Matthew: Just a follow-up on your comments regarding the eCockpit earlier. You mentioned that you had developed a world-class eCockpit but some of our international competitors have distinct advantage. Just wondering where we are lacking and how we could catch up and whether this de-merger will help in that regard?

Vikram Mohan: Possibly. Like I said, the amount of eCockpit some of the international competition like Nippon Seiki or Continental which is now Aumovio or Denso or Visteon is able to produce is probably 50x or 40x the volume of PRICOL. So, we will not have a cost arbitrage in terms of the child parts or we will not have that for very small volumes.

So, while we have developed the capability and shown our proof of concept, in terms of cost we will not be able to compete it because of the absolute volume disadvantage that we have. And perhaps one of the reasons why we are looking at a partner also is to give us certain cost arbitrages in terms of scale. That's also one of the reasons, not the primary reason.

Moderator: Thank you. We take the next question from the line of Saket Saraogi, an Individual Investor. Please go ahead.

Saket Saraogi: My question was that seeing the industry growth in this quarter, the sales figures of our company looks muted as compared to that. What do you have to say on that? We have lost some revenue in this quarter because of some reason.

Vikram Mohan: All the industry put together weighted average grew by 22%. We grew by 26%. We have outgrown industry growth by 4% across all our divisions. I would not call that muted growth. I would call we have outperformed the market.

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

Nachiket Kale: Thank you for the opportunity but my questions is already got answered. Thank you so much. Best of luck to the Management.

Moderator: Thank you. We take the next question from the line of Ritesh, an Individual Investor. Please go ahead.

Ritesh: Sir, can you please give guidance for revenue for next 3 to 5 years or any target which the management wants to achieve in next 3 years? It will be good.

Vikram Mohan: I have given a revenue guidance, I have told you Polymer business what capacity we are creating. We have also in the past given a revenue guidance for our DICVS business and we have said we hope to achieve Rs. 8000 crores by a combination of primarily organic and some amount of inorganic growth for Calendar Year '30 or FY31 of Rs. 8000 crores and I continue to maintain that.

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

Vikram Mohan: Thank you very much ladies and gentlemen for your active participation and to also my team led by our CEO, our Executive Director – Madhura, our CFO – Mr. Bastia and the rest of my operating team for having delivered this set of results and we do endeavor that we will be able to deliver a better set of results in the coming quarters and continue to outperform the industry and my prayers to the almighty for normalcy to return to the world so that all of us can work on productive work and proactively work on strategy rather than fire fight and run war rooms instead of running companies. Thank you.

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