Date: August 04, 2026

To,
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051.
Symbol: SYRMA

Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001.
Scrip Code: 543573

Subject: Earnings Call transcript of the Investors Conference Call held for the unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2026.

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Transcript in respect to the Earning Conference Call on the unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter ended June 30, 2026, held on Thursday, July 30, 2026, at 10:30 AM (IST).

The transcript of the conference call will also be accessed at the website of the Company at https://www.syrmasgs.com/investor-relations .

We request you to take the same on your record.

For **Syrma SGS Technology Limited**

BHABAGRAHI PRADHAN

Digitally signed by BHABAGRAHI PRADHAN
DN: c=IN, postalCode=110030, st=DELHI, street=UG 1 ROYAL GREEN APPARTMENT BLOCK B ,PROPERTY NO 892-A 5 WORD NO 8 ,SOUTH DELHI,NEAR TEMPO STAND ANDHERIA MORE ,110030, l=SOUTH DELHI, o=Personal, serialNumber=0a477eabe66fa3406d0663a66af00220d71fdf833acd27d9fbe3f5c41fad29dc, pseudonym=21bd9e0c1f164131871050fdf9e707e4, 2.5.4.20=aaf2ced6cb9d0171501046d3c89e30a176e6fbd266c7782bfdb42a0e54128382, email=BHABAG.PRADHAN@GMAIL.COM, cn=BHABAGRAHI PRADHAN
Date: 2026.08.04 10:50:25 +05'30'

Bhabagrahi Pradhan
Company Secretary & Compliance Officer
M. No.: F4921
Place: Gurgaon

"Syrma SGS Technology Limited Q1 FY '27 Investors Conference Call"

July 30, 2026

MANAGEMENT:	**MR. J. S. GUJRAL – MANAGING DIRECTOR – SYRMA SGS TECHNOLOGY LIMITED** **MR. JAYESH DOSHI – WHOLE-TIME DIRECTOR – SYRMA SGS TECHNOLOGY LIMITED** **MR. JAIDIT SINGH BRAR – CHIEF EXECUTIVE OFFICER – SYRMA SGS TECHNOLOGY LIMITED** **MR. BIJAY AGRAWAL – CHIEF FINANCIAL OFFICER – SYRMA SGS TECHNOLOGY LIMITED** **MR. NIKHIL GUPTA – HEAD, INVESTOR RELATIONS – SYRMA SGS TECHNOLOGY LIMITED**
MODERATOR:	**MR. NIKHIL KANDOI – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Syrma SGS Technology Q1 FY '27 Investors Con Call hosted by Axis Capital 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 this conference call, please signal an operator by pressing '*' then '0' on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nikhil Kandoi from Axis Capital. Thank you and over to you, sir. Nikhil, sir, please go ahead.

Nikhil Kandoi: Thank you everyone for joining the call. We are hosting Syrma SGS Q1 FY '27 Con Call. I will now hand over the floor to Nikhil Gupta for their opening remarks. Thank you for the opportunity, Syrma management.

Nikhil Gupta: Thank you, Nikhil. A very good morning to all of you. On behalf of Syrma SGS family, we welcome you all to the Syrma SGS Quarter 1 Fiscal Year 2027 Earnings Call.

We have with us today, Mr. J.S. Gujral, Managing Director; Mr. Jayesh Doshi, Whole-Time Director; Mr. Jaidit Singh Brar, Chief Executive Officer; and Mr. Bijay Agrawal, Chief Financial Officer, Syrma SGS, to discuss the performance of the company during the 1st Quarter and Fiscal Year 2027, followed by a detailed question-and-answer session.

Kindly note, during the call, certain statements that will be made are forward-looking, which involves several risks, uncertainties, assumptions, and other factors that can cause results to differ materially from those in such forward-looking statements. All forward-looking statements made herein are based on the information presently available to the management and to the company, and the company does not undertake to update any forward-looking statements that may be made during this call. In this regard, kindly review the disclaimer statement in the earnings release and all other factors that can cause a difference.

With this, I will now hand over the call to Mr. J.S. Gujral, Managing Director, Syrma SGS. Thank you.

J.S. Gujral: Good morning, ladies and gentlemen. A very warm welcome to the Q1 FY '27 Earning Call of Syrma SGS Technology Limited. Always a pleasure to interact with all of you.

Before I start the summary of what has happened and what is going to happen, I would request our new CEO – Jaidit Brar, to just say hello to all the analysts and the participants and introduce himself before I take up on the detailed presentation. Jaidit?

Jaidit Singh Brar: Thank you, Mr. Gujral. Good morning, all analysts, and I am delighted to be here. I joined Syrma SGS on 29th of June. I have spent 24 years at McKinsey and then I have spent two years after that in various roles in the automotive and the energy industry. I am very excited about the opportunities and the potential of Syrma SGS and I am looking forward to my journey here. Thank you.

J.S. Gujral: Now, I think we have had a lovely, strong 1st Quarter, which lays the foundation for us to grow as per plan for the current year. This quarter, despite the turbulations of the geopolitical problems which we are having in the Middle East, which translated into supply chain constraints, we were able to register a robust growth on all parameters, whether it was the top line, EBITDA, PBT, PAT, which grew by more than 100%. Those figures are available with everyone. I will not delve on that in detail.

I will highlight two qualitative factors in this quarter:

- The first one is the continued buoyancy in the exports. Exports last year grew by 40%. This 1st Quarter, they have grown by 61%. Now, this positions us well to further integrate to the global supply chain market. And as I have all the time been saying, for a long-term, sustained, profitable growth, integration of the Indian EMS companies with the global clients is a must. And I think the efforts which our teams have put in the past two years have shown results last year and are showing even superior results this year. So, going forward, I believe exports would continue to be one of the mainstays for our growth and profitability.
- The second factor is that my ODM sales, which is our own design manufacture sales, have gone up by almost 100%. Last year, they have gone up by about 82% to Rs. 825 crores. And this year, in 1st Quarter, they have gone up. They have been Rs. 270 crores versus Rs. 125 crores last year.

So, these two pillars for the growth, when they are registering a very high sort of growth trajectory augurs well for us to deliver superior performances in the coming quarters.

There has been a secular growth in almost all the verticals. I personally don't foresee demand side to be a constraint in the coming quarters. I think demand from across verticals is robust. Our medical vertical, MedTech vertical is doing very well and has started picking up. Defense vertical early, but going forward in the coming quarters, it will scale up.

What is worrying not from a micro-level Syrma SGS perspective, but from an industrial level, is the supply chain constraint. While demand remains bullish, supply chain is a cause of concern because of the geopolitical situation, supply of some specialty chemicals which go into the PCB making, lead time of components going up.

So, what we are focused on in Syrma SGS is to ensure that our customers don't suffer because of these supply chain constraints. We have formed a war room in the company to look at this, and every customer, every component shortage is being minutely monitored at the senior-most level.

We have also taken a cautious call that we will not treat inventory as a working capital, at least for the next quarter or two. Inventory will be treated as a strategic asset, strategic investment.

So, I personally believe across the industry, we will see a tad increase in the inventory levels in terms of number of days till the situation normalizes. I expect maybe six months down the line, when we talk to the manufacturers and distributors, they say by end of Calendar '26, situation should be back to normal. So, in the next six, eight months, five months, we should all be aware that the inventory levels across the industry would be going up.

Our projects which we have undertaken, the PCB project is on track. Building is almost 65% to 70% complete. Equipment will be received from October onwards. And we are on schedule to power on the equipments in the quarter of January, March, and take out samples and then the process of approval from the client starts. Overall, I think we are well on track of not only achieving what we had guided but exceeding that achievement.

With this, I hand over to Bijay Agrawal to delve on the detailed financial numbers.

Bijay Agrawal: Thank you, Mr. Gujral. Good morning, everyone, and thank you for joining us for this quarterly earnings call. I hope you have a good chance to review our quarterly results and investor presentation.

I briefly walk you through our operating and the financial performance, and thereafter we can move to the Q&A session.

We have started this year, FY '27, with a very strong quarter of execution, continuing the momentum built over the last several quarters. Starting with the revenue numbers, our consolidated total revenue for the quarter stood at Rs. 1,604 crores, registering a 67% year-on-year growth.

And more importantly, this growth has been accompanied by continued improvement in profitability across including our EBITDA numbers and the PAT numbers. Our operating EBITDA increased by 69% year-on-year to Rs. 162 crores, while total EBITDA including other income grew by 72% to Rs. 177 crores for the quarter. PBT increased approximately 110% reaching to Rs. 141 crores for the quarter, and PAT for the quarter is Rs. 106 crores with a 112% growth for the quarter.

Over the last few years, we have consciously focused on improving our product mix, expanding into higher value programs, strengthening our operational efficiencies, investing into technology-led manufacturing capabilities and some bit of automations. The benefits of these initiatives are now reflecting into our overall profitability.

Coming to our overall business performance:

Growth during the quarter was broad-based. The consumer business remained our largest vertical with 34% of our business mix and delivered healthy growth supported by faster customer ramp-ups and some bit of front-loaded schedules from key customers.

Similarly, the automotive business continued its strong momentum and now contributes about one-fourth of our overall total revenue with 25% of our business mix. We continue to benefit from our increasing penetration of EV across all vehicle platforms and deeper engagement with our new customers.

Healthcare maintained healthy performance while IT and railways business continues to scale well from a relatively lower base. The industrial segment specifically witnessed some moderation on a sequential basis, primarily due to a rear ended schedules of our maritime business, wherein the majority of the volume is loaded in the second half of the year, and also some bit of lower pick-up on the smart metering business. However, we remain confident about the medium-term opportunity on this business, seeing the overall order book visibility..

Coming to the export numbers:

As Mr. Gujral has also highlighted, this has performed very well and contributed approximately 24% of our operating revenue, reflecting our growing participation into the global supply chain. Overall export number for the quarter is around Rs. 387 crores. Similarly, the ODM number for the quarter is approximately 17% with Rs. 270 crores of ODM business for the quarter.

On the customer concentration for the quarter, my top 5 customers contributed around 38%, while top 10 customers contributed around 51% and top 20 around 66% of our total revenue for the quarter.

Coming to our order book visibility:

As on June end, we have approximately Rs. 6,770 crores of overall total order book visibility, of which, if we give the break-up by each vertical, automotive is around 29%, consumer is around 30%, industrial segment is approximately 24%, healthcare is around 7% which includes MedTech business also, and IT and railways together about 9% of our total overall order book visibility.

Some bit of update on the new customer additions:

During the quarter, we onboarded 18 new clients, of which 5 on the auto side, 3 on the industrial segment side, 2 on the healthcare side, and balance on the telecom and IT and railways side here. But again, this shows a very strong business addition pipeline for future years.

We remain confident that as volume grows and continues to scale, and newer programs mature, our overall operational efficiencies will continue to improve overall over the medium term.

Coming to our balance sheet performance:

During the quarter, our net working capital days increased from 63 to 71 days, and mainly due to higher inventory days. As Mr. Gujral was also explaining, we are keeping higher inventory levels as a strategic asset, and this is something that we will be continuing for a quarter or so. And this is primarily a conscious decision to support our speedy ramp-up of the new customer programs to ensure uninterrupted availability of critical electronic components.

This decision will help us, at least in the short term, ensuring low disruptions related to our customer supplies and delivery. This strategic decision resulted into higher working capital requirements for the quarter and an increase in the overall short-term borrowings by about Rs. 340 crores during the quarter.

However, it is important to note that we continue to maintain a net cash position of Rs. 122 crores, supported by a healthy treasury balance, cash and investment balance of Rs. 800 crores plus as on June end. We believe this inventory will give us a larger strategic supply assurance from the customers, strengthening our overall long-term relationship on both sides.

Overall, on the financial ratio side, return ratios continues to improve. Our adjusted annualized ROCE for the quarter is 20.1%, reflecting improving capital productivity. Going forward, our capital allocation philosophy remains unchanged. We will continue to invest prudently in capacity expansions, technology, design capabilities, strategic growth initiatives, while maintaining financial discipline.

Beyond this quarterly financial performance, our strategic priorities remain intact. During the quarter, we had tied up with a Japanese MNC player, Kaga, to manufacture all their EMS requirements through a jointly held subsidiary in India, wherein Syrma holds 60% and balance will be held by Kaga India. Initial investment into the JV would be approximately Rs. 24-25 crores by both the partners together.

Coming to our PCB project update:

The project is completely on track. We had invested around Rs. 50 crores during the quarter for this particular specific project, while overall CAPEX investment during the quarter is about Rs. 90 crores. We expect this PCB project to start at least commercial production by April of 2027.

Our priority continues to be consistent and profitable growth, supported by operational excellence, disciplined capital allocation, and long-term customer relationship.

With that, I would now request the operator to open the floor for questions, and we can take up the questions and answers. Thank you.

Moderator: Thank you. We will now begin with the question-and-answer session. The first question comes from the line of Aniruddha Joshi with ICICI Securities. Please go ahead.

Aniruddha Joshi: So, two questions. Is there any one-time revenue booking done in Q1? Because the numbers look extraordinarily strong. So, any postponement of revenue booking or order booking or like that? That is question number one. If not, how should we look at the next three quarters in terms of the revenues, especially the consumer segment revenues?

And second question is, there a Board resolution for raising funds via QIP of almost Rs. 1,000 crores? Any particular developments that can be shared here or it will be just a normal resolution passed and depending on the opportunity, the fund raising decision will be done? So, any color on that as well?

J.S. Gujral: I will answer the first question in an affirmative that there has been no one-time transaction which has been booked into the quarter. These are the normal run-of-the-mill numbers. The performance has been better because of our high margin profit business.

Exports and ODM have gone up, while consumer also has gone up by about from 30 odd percent to 34%. But the effect has been greatly absorbed by the increase in my exports and ODM numbers. So, these are numbers which are based on the standard accounting policies and no one-time expense has been charged or one-time income has been booked. So, I should be making that very clear on that. Bijay, would you like to add something on that?

Bijay Agrawal: There is no abnormal one-time kind of a revenue there. Now coming to your question on QIP, very clearly, every year we take this QIP resolution from the AGM. This is something as an enabling resolution we take up so that in future, if we get a good investment opportunity, we should be ready with the funding kind of a pipeline available with us and that is how this is a QIP resolution we are taking while there is no immediate need for going beyond this kind of a resolution.

J.S. Gujral: Just to add on to the two points which Bijay has raised on the QIP, I think it is an enabling resolution. The sector is seeing such positive tailwinds that you have to have a war chest ready for any emerging opportunity which may come. And the opportunities are immense, whether it is in the semi-con business, whether it is in the normal thing. So, it is just an enabling resolution.

On the second part of your first question, going forward, we believe that we are on track to not only achieve what we have guided, but we exceed that. By how much percentage, I think let one quarter more go by and we can all have more clarity. And this is because of the supply side constraints, not from the demand side issues.

End of the year, I think we would broadly be within the parameters of the industry-wise verticals what we have been guiding. We have all the time been maintaining that we don't view numbers from a quarterly lens.

In fact, when we are building an institution, the numbers have to be viewed from a multi-year trajectory thing and not even annual. But for the analysts and all that, we do believe in annual numbers. But for institutional building, I think we have to see where we started from, where we have reached and where we want to go. And is that trajectory being achieved or not?

And I am very happy to say that whatever we have set out and whatever we have been sharing with the street, we have gone in a very structured, measured way to achieve the numbers and the objectives.

Aniruddha Joshi: Sir, just one clarification. So, we are doing prudent inventory. But generally, the memory prices will be a pass-through. So, it will not have any impact on even the percentage margin. I mean, absolute margin per unit, it may not have any impact. But it will not have impact on absolute percentages also. It will be a complete pass-through. Is that understanding correct?

J.S. Gujral: Yes. Even if it is a complete pass-through, as an example, if my chip is Rs. 60 and I am selling it at Rs. 100, I am just taking one example. So, it is a 40% gross material margin. The chip goes from 60 to 100. I sell it at 140 to the customer. 140 is not 40%.

So, while the absolute figures will remain intact, broadly, the percentage margin would undergo a change because you don't get a markup, you don't get a value add on the increased cost of a chip or a memory.

Aniruddha Joshi: So, the percentage margin may see a slight correction.

J.S. Gujral: Yes. Again, I don't get a value add on the price increase. I would love to have it, but I don't get it. No one gives a value add just because your price has gone up. Your other costs have not gone up.

Aniruddha Joshi: This is well understood.

J.S. Gujral: No impact on the absolute numbers. No impact on the absolute numbers.

Moderator: The next question comes from the line of Mayank Pandey with Emkay Global Financial Services. Please go ahead.

Mayank Pandey: Sir, I have two questions. Question number one is on the consumer business. Could you just help us understand how, because in the past quarters, you have guided that this business will try to keep at, let's say, 30% of total revenues. Could you just help us understand how we should look at it going forward in terms of what businesses or what product lines sort of we are targeting and how the growth can come or how we will limit the growth in that sense in that segment? That is question one.

And my second question is on the PCBM project, the manufacturing project for PCB. Do we expect to have to raise funds for any part of our PCBM project, Phase 1, Phase 2, both combined, whether now or in the future, or do we expect it to be fully funded through internal accruals? Those are my two questions.

J.S. Gujral: On the composition of the sales, I think we are very confident that we will be maintaining the trajectory of consumer being at about 30% of my total sales. As we have all the time been reiterating, quarter-on-quarter, there would be aberrations. There is never a secular growth in every vertical, every quarter. Each industry has its own profile. But on an annualized basis, we still think that our consumer business would be around 30% of the total revenue. That is question number one.

On the PCB project, I personally don't see any constraint in terms of requiring additional funds. First phase of the project is on track. We should be powering on the equipment in January to March. And once we start the production, we would be filing the claim with the government for the subsidy. And the second phase and the third phase of the project will only start towards the end of '27, early '28. So, I think the project is well funded. And I will request Bijay to throw more detailed light on that.

Bijay Agrawal: So, just to add on here, the first initial phase, we are incurring around Rs. 400 crores, of which is about Rs. 130 crores already funded so far. And the balance will be funding during this particular year. And again, a 50% - 60% debt is what we will be taking for this thing.

But most importantly, when we grow further, like the next year, when we try to fund another Rs. 400 crore, a majority of that can also come through the government incentives also. So, there is a government CAPEX incentive, which is also available as a funding source here. 50% CAPEX incentive is available for this project.

So, we will be funding through internal accruals, CAPEX subsidies from the government, and from the debt, we already have a Rs. 800 crore plus kind of a treasury balance, which would be sufficient for all these phases of this particular project. Plus, yes, obviously, going forward, the internal accruals will keep on adding for this thing.

Moderator: The next question comes from the line of Bhavik Mehta with JP Morgan. Please go ahead.

Bhavik Mehta: Just one question on this multi-layer PCB. What kind of asset turns we can expect in the first year of operations when it starts in April next year? And what kind of EBITDA margins we can expect in the first year? Ex of ECMS benefits and also if there is some color in terms of how much ECMS benefits we can get on the margins?

Bijay Agrawal: Normally, asset turn varies around 1.5x. But initially, in the very first year, as you are checking, the capacity utilization can be lower around 40% to 50%. So, it can be lower in year one and thereafter, it can gradually move towards maybe 80% plus kind of a capacity utilization, which will be around 1.5x of asset turn.

Normally, with the full, complete ramp up volume, one can expect ex of any PLI incentive, the EBITDA is in the range of 15% to 18%. But initially, when the capacity utilizations are lower, EBITDAs can also be lower, around 10% or maybe less than 10% also.

J.S. Gujral: And just to add what Bijay said of 1 to 1.5x asset turnover, that is on the gross basis. That is not accounting for the subsidies.

Moderator: The next question comes from the line of Keyur Pandya with ICICI Prudential Life Insurance. Please go ahead.

Keyur Pandya: Sir, just one question on the revenue side. So, for last two or three, last since Quarter 3, our order book is around 60. So, it was Rs. 6,400 crores. Today, it is around Rs. 6,700 crores. So, this similar sequential order book, should we assume current revenue run rate to continue or we should expect acceleration from here as well? First question on that.

And second, on the profitability side. So, this quarter, your share of consumer is lower versus last year. Sorry, just on the composition side, consumer segment share is much higher versus last quarter. And despite that, our margin is around 10% plus. So, should we assume that this is the bottom range of the margin we should assume even with this kind of mix, where consumer is, say, more than 33%, 34%?

J.S. Gujral: On the margin front, I think what we have guided 10.5% to 11%, we maintain that we will be delivering that margin profile for the full year. So, I have no sort of concerns on that.

On the order intake, what you have suggested, you are saying, I think it is a logical thing. And we have seen an uptick in the order book from quarter on quarter. For example, I think in Q1 of last year, our order book was around 5,400. And today, it is 6,700 plus, 6,770.

So, it obviously means that quarterly intake of orders is increasing. I think my quarter order book as on the end of March was 6,400. I have executed 1,600. And I have got an order book of 6,770. So, it means the order intake in one year, one quarter of about Rs. 1,800 crores, Rs. 1,781 crores.

So, I think as we scale up, obviously, if we have to do higher revenues in the coming years and quarters and years, the quarterly intake of orders should also show a rise.

Bijay Agrawal: Just to add in here, considering order book and the visibility here, that is how we are guiding that 35% plus kind of a revenue growth for the full year is what we are guiding. Yes, quarter-on-quarter, there is a higher intake is what we are seeing here right now.

And coming to the EBITDA percentage, when we compare the business mix versus last quarter, last quarter, consumer segment was lower. And that is where we have seen 11%, 11.3% kind of operating EBITDA margin for the last quarter. But this quarter, it is 10.1%. That is primarily because there is a higher consumer mixed into this business.

But again, having said that this consumer is not evenly distributed across four quarters, so we may see some kind of a seasonality here. So, that overall full year number can be in the range of 30% to 32%. But this quarter it was 34%. Some other quarter it can be lower also.

Keyur Pandya: Just one clarification on this. So, earlier you mentioned that this guidance of 35% growth on the revenue side and around at least 30%-35% growth on the EBITDA side. You mentioned that you would upgrade it later, but you think we will need to upgrade the guidance. That is what you mentioned earlier?

J.S. Gujral: So, what we said was that, one, we are very confident of achieving the guidance, not only achieving the guidance, the numbers both on revenues and EBITDA, but based on the strong performance of the 1st Quarter, we should exceed that guidance. So, that is the statement we made. We should exceed that guidance based on the 1st Quarter performance.

Moderator: The next question comes from the line of Sumant Kumar with Motilal Oswal Financial Services. Please go ahead.

Sumant Kumar: So, can you talk about this healthcare segment? Last two quarters, we have seen a momentum of Rs. 130 crore, Rs. 135 crore. And from here, what kind of order book we are receiving and how the growth is going to improve in this segment?

Bijay Agrawal: So, maybe I can just add in here. Yes, the current order book is giving almost Rs. 500 crores of order from this healthcare segment, which includes healthcare RFID solutions also in the MedTech business. But most importantly, in this quarter also we have onboarded two new clients on the healthcare side, again for the CDMO manufacturing business and the design business also for one of the clients here. So, this business is picking up good.

If I talk about specifically the MedTech business, we did about Rs. 210 crore last year through our subsidiary, Syrma Johari MedTech. And this year we are expecting the business should be growing almost 50% because the base is lower here. So, this business is showing good potential now to grow. And that is how we have been guiding that there should be approximately 7%-8% of our total overall business for this year.

Sumant Kumar: And for the PLI 2.0 and ISM 2.0, what kind of business segment we are exploring and what are our thought process for that?

J.S. Gujral: For the PLI part, there are two. One is the mobile PLI part, which, well, we are currently not seriously evaluating that. We are not there.

On the ISM 2.0, which has just been announced, and I think the notification, the detailed guidelines are yet to be out. We still maintain our earlier stand that we are interested in this. We are interested not only in the packing, but also the backend and the P parts, the components which go into the making of a semicon.

But for us, one of the key qualifying criteria is to have a credible partner. And that is a stand we have been maintaining right from ISM 1.0. We didn't participate in ISM 1.0 because no credible partner had come to India.

And if you see only Micron and Renesas, the two big names are present in India, rest are yet to take a call. And we are very much in discussions with the sort of potential partners. But till we sign off, I really can't commit anything.

But as far as the interest of the management is concerned, yes, we are definitely very much interested in the business opportunities emerging out of ISM 2.0.

Moderator: The next question comes from the line of Bhavya Gandhi with Bajaj Alternate Investment Management. Please go ahead.

Bhavya Gandhi: Sir, I just wanted to understand what the average order execution period for the existing order book, and how big could this Kaga opportunity be over the next couple of years?

Bijay Agrawal: So, on the order book, I can answer and then Gujralji can add on for the Kaga JV. Out of the Rs. 6,770 crore, approximately Rs. 5,400 crore is what we need to execute in the next 12 months. And the balance is like beyond 12 months, like in the quarter subsequent to that thing. That is how the current order book is there. If we calculate the overall average period, it comes around 10-10.5 months there on the order book side.

Coming to your question on Kaga JV, this is JV primarily to meet their EMS requirement here in India on an exclusive basis. That is how they are primarily very strong in India on the automotive side and also some bit of AC business, which is on the white goods side also. That is the two kinds of business verticals we are initially targeting through this JV.

Gradually, they are very strong on the Japanese market side. They are a big global conglomerate having multiple business in Japan. So, going forward, in future, we may also target supplying or exporting to the Japanese need also.

J.S. Gujral: Just to add on to what Bijay said, I think this is a strategic tie up with long-term positive implications. It gives us a foot into the Japanese business ecosystem. And Japanese business ecosystem, everyone knows is a very conservative ecosystem. It is not flamboyant.

So, having a partner in Kaga gives us that entry-level point into the Japanese market. Short term will be catering to the domestic requirements of Kaga. And we should not forget that Kaga has a very strong distribution network of components.

Going forward, I think we will have a positive rub off effect in my purchasing because of the Kaga leverage. So, it has two, three dimensions. This joint venture has two, three dimensions, domestic supply to Japanese customer, a foot into the door of the Japanese ecosystem, and the distribution of components, taking benefit of that in our material procurements.

Bhavya Gandhi: Is it possible to quantify in terms of opportunity, how big would it be over next three, four, five years?

Bijay Agrawal: So, we are just starting setting up this JV right now. So, in this current year, this may not be much, but over the three, four, five years, we can see somewhere around Rs. 300 crore to Rs. 500 crore kind of a business on long-term basis.

Bhavya Gandhi: That's it from my end.

Moderator: The next question comes from the line of Vishal Goel with HSBC Securities and Capital Markets. Please go ahead.

Vishal Goel: So, my first question is on the last quarter, you mentioned that you have very solid intent of entering the renewables energy space market, especially in the inverter business. So, any update on that front?

And the second question is just a clarity on the ODM revenue number, which was shared earlier. So, I heard you said it was Rs. 270 crore or 17% of the revenue. If that is the case, then that is a decline. So, just want a clarity on that.

J.S. Gujral: No, it is not a decline on the ODM number. My Q1 FY '26 ODM number was about 125. It has gone up to 269. Sequential, yes, it could be a decline. I am not saying from Q4 of last year to this year that the decline may or may not be there. Bijay will share the numbers.

Bijay Agrawal: Q4 of last year, it was 345.

J.S. Gujral: 345.

Bijay Agrawal: Sequentially, it is a decline. But year-on-year basis, there is a more than 100%...

J.S. Gujral: All the maritime, defense, communication business and MedTech business are rear-end loaded. So, we are very confident of scaling up this business and have a positive growth in the current year. So, there is no doubt on that.

On a sequential basis, there is a decline. But on quarter-on-quarter, year-on-year, last year, we have almost like a 100% uptake from 125 to 270.

Bijay Agrawal: 115%.

J.S. Gujral: 115 or 120. Now, as far as the renewable energy business is concerned, post our sort of decoupling of the KSolare deal, we are in touch and in negotiation with potential partners. And these things take time, but it is still in the sort of focus of the management to enter this space. Once we have a firm tie-up and all those things, we will definitely come back to the street with the details. But the business is a focus area for growth for us.

Vishal Goel: Thank you for clarifying the ODM number as well.

Moderator: The next question comes from the line of Achal Lohade with Nuvama Institutional Equities. Please go ahead.

Achal Lohade: Sir, if you could talk a little bit about the capacity utilization. Currently, what kind of CAPEX are we looking at in the current year as well as next year, ex of PCB?

Bijay Agrawal: So, ex of PCB, CAPEX is what we are seeing around Rs. 100 crore to Rs. 150 crore for the full year, of which near about Rs. 40 crore is what we have incurred in the current quarter so far on the CAPEX side, Capacity utilizations, current capacity utilizations are in the range of 65% to 70% as of now. And we are still building up certain more capacity at our Bangalore location. Also, we are expanding to one more facility parallel to our current existing plant.

And similar way, in our Pune also, we are expanding the capacities over. So, this is a continuous process. Depending on the business additions, we will be keep on doing those business or maybe capacity enhancements or maybe stuffing of the current facilities with incremental lines.

Just to add on here, we are setting up one additional capacity for our MedTech business specifically in Jodhpur. So, there also, we are expanding the capacity with additional plastic injection molding capacity and the SMT lines over there, keeping in mind the additional incremental new MedTech businesses which we are getting now.

J.S. Gujral: Yes. So, in the MedTech business in Jodhpur, we are expanding more capacity and capability. We are entering into medical-grade plastics and new sort of lines into the MedTech business. Hence, the expenditure is being incurred. So, I think this will give us a good growth opportunity in the coming years, '27-'28 onwards.

Achal Lohade: Just a clarification on your earlier comment in terms of the percentage margin. Can you help us understand in terms of the price inflation of your components, how large would that be on a blended basis? Just a ballpark, and what kind of bids impact we have already seen in 1Q because of that?

J.S. Gujral: See, what is the impact? I think on an annualized basis, I can't comment because the situation, the dynamics of the global economy, supply chains will keep changing. I was only referring to a principle that if I get a 100% pass-through of my cost increase, my absolute margin is not affected but my percentage margin gets affected. That was the only thing which I was referring to.

Achal Lohade: Yes, I understand and that is why this question, sir. The reason I am asking…

J.S. Gujral: But I stopped to say that what it would be for the full year as my economy, the supply chains are still evolving. Where does the dollar go? I don't know. What will be the semiconductor shortage? I don't know. But I know there will be a shortage.

So, what impact it will have on the supply chain because all the demand of semiconductors is being consumed by the AI center. Of late, there has been a sort of a slowdown, sort of a general perception that the AI may not be that good at that. So, if that happens, the supply chain constraints ease.

So, I really cannot comment today, but generally we believe that the pressure of supply chain will continue and whenever there is a pressure, it has a direct implication on the cost.

Bijay Agrawal: But just to add on there, whatever guidance we are giving, 10.5% to 11% of a margin, that factors all these initiatives together and that is where we are guiding this to be 10.5% to 11% kind of a margin entirely for the full year.

Achal Lohade: I will take it offline.

Moderator: The next question comes from the line of Neel Mehta with Equirus Securities. Please go ahead.

Neel Mehta: Sir, just wanted to know that, sir, you mentioned that we have onboarded 18 new customers. So, from where we can expect these to grow in our financials sooner?

And the second question is that, sir, we haven't seen sharp Y-o-Y growth in auto. So, just wanted to know that it is largely a wallet-share driven growth or a new customer driven growth? If you can highlight that.

J.S. Gujral: So, on the new customers, I think whatever we are onboarding the new customers in this quarter, in this year, it will not have a significant impact on our revenue. These are all work in progress, which will give us a growth in the coming years.

The breakup of the customer onboarding, Bijay will share in what vertical, but typically, they are in line with the market sort of breakup of the vertical sales.

Bijay Agrawal: So, just to add in here, on the auto side, we have onboarded five new clients, industrials also three clients, healthcare also two clients, and the balance on the telecom, IT, and railways. But as Mr. Gujral said, actually, the volume may start up from the next year, and full ramp up may take year after that also, actually. But this new customer additions may have a potential to give me additionally Rs. 1,000 crore plus kind of a revenue on a full ramp-up basis.

Neel Mehta: And sir, what would be the margin profile of these new customers versus the current margin profile?

Bijay Agrawal: So, there is a segmental margin will follow. So, if somebody is there in the auto segment, auto segment related margin will come into that. They will not be completely off the vertical kind of a margin. So, depending upon which business, which client is coming into which vertical, the margins of that vertical would generally follow.

Neel Mehta: And sir, just last question from my side. If you could share, what would be the geography mix of the current quarter's export revenue?

J.S. Gujral: The export revenue, what we have got is if I was to take it as only percentage of the exports, only percentage of my exports are, say, Rs. 387 crores this quarter. If I was to take the breakup, USA would account for about 22, Europe around 40, and the balance is other countries.

But if I was to include North America Market (NAM), then the figure of 22%, NAM means Mexico, Canada, and America, then this 22% would go up by another 15-odd percent, I think. This is breakup of the export sales, not as a percentage of total sales.

Moderator: The next question comes from the line of Praveen Sahay with PL Capital. Please go ahead.

Praveen Sahay: My question is related to the ODM and export, which you had highlighted. These are the two growth pillars for your business. And also, we can see that the contribution is rising 17% and 24% now. So, how you are going to see the contribution of these two segments to be in the near term? And how has been the margin profile for these businesses as compared to the domestic ones?

J.S. Gujral: So, I will take one by one exports. Exports last year, we grew by 40%. And that only shows that none of the economies where we were exporting have grown by that, that we are migrating customers from other geographies into India.

The Q1 has been very good, we have grown by almost like 60%. So, I expect that this year, we should grow our export by around 30% to 40%. Last year, we did exports of about Rs. 1,200 crores. So, we should be able to grow the business to Rs. 1500 crore to Rs. 1,600 crores for the current year.

Again, as I have always been saying, let the geopolitical situation settle down. It will give us more clarity. But despite all the turbulence, we are still confident of growing the exports.

On the ODM, again, it gives us a big satisfaction that ODM, which grew by 82% last year, has grown by almost 100% in this quarter. So, going forward, I expect this momentum to be maintained. As my MedTech and the defense business scale up, the ODM content would go up further.

Currently, we are at about 17% of our sales are ODM sales. The long-term target is to take it up to a quarter. It is not a sort of a sprint, it is a marathon. And it will take time for us to take it up to that. And this problem or this sort of task becomes even more difficult because my non-ODM revenue is also growing at a very healthy pace.

So, if the pie size is increasing. And I want to increase from 17% to 25%, that is almost like a 50% growth. Yes, a little less than 50% growth. My ODM has to grow at 50%-60% level to be able to reach that 25% target in the next several years. Short term, 17% to 18% to 19% will be the target.

Praveen Sahay: And on the margin front, sir?

J.S. Gujral: Both these segments have superior margin profile.

Praveen Sahay: Or you can give some color on the ODM contribution of the segments, which like healthcare or industrial more contribution.

J.S. Gujral: ODM family would be healthcare, it would be defense, it would be consumer, and a little bit of industrial.

Moderator: The next question comes from the line of Bharat Shah with BCS Capital Ideas. Please go ahead.

Bharat Shah: Gujral sir, Namaste. I did not really have a question to ask. But I just wanted to state my observation. Over many years that I have seen Syrma, and through many different phases of challenge, and when chips were down, I think the firm has displayed remarkable strategic restraint, strategic intent, and its execution without wavering by the short-term considerations.

I remember a period of about two years back when things were materially confused as far as the externalities were concerned. And there were a lot of challenges. Quarterly numbers look like lofty margins were going haywire. And the top line was fluctuating quarter to quarter, but with little clarity as to what it is.

But throughout this period, I have observed our strategic intent has remained firm. We have remained steadfast and not succumb to the temptation of any loose picture being given. We have remained scrupulously transparent. So, I just wanted to put on record my deep appreciation of the way the firm has evolved.

And I also must thank and appreciate Bijay Agrawal, who must have gone through a lot of challenges in managing on a much smaller balance sheet, financial constraints and working capital challenges and very low ROCE that the business faced to contend with the high growth and managing finances. But even he, I think through this period has remained truly, truly focused on guiding the destiny of the firm. So, a deep note of congratulations and appreciation.

J.S. Gujral: Thank you, sir. Just a follow up your comments. I would just like to reiterate that what we are in Syrma focused on is in building an institution. And we have to balance the short term and the long term, but never ever would we compromise the long term for the short term. I think that focus is very, very clear.

We will rather absorb the pain, the short term pain, but we will never ever compromise or sacrifice the long-term objectives of the management and the Board, which is to build the institution, which is truly global in nature, engineering-led and focused on very sort of tight execution and generating free operating cash flows, tight capital allocation policy.

Bijay Agrawal: Thank you, Bharat.

Bharat Shah: No, absolutely. Just one point if I can check with you. While opportunities abound, our capacity and capability both are rising at a greater pace actually. What in your opinion could be emergent threats or challenges, may not be today, but over a period of time or any areas which you think are strategically very vital, but which are not visible today?

J.S. Gujral: Well, I can only say that I think we in Syrma, and I think the industry for the benefit of the country has not taken on a sort of a philosophical level. I think we have to be very cognizant of the fact that long-term sustenance does not come in from plain vanila manufacturing, whatever be the vertical. It has to come from design. It has to come from engineering.

So, earlier the companies invest in that, they are securing the future and we are very, very focused on that. We know this business of manufacturing would continue for the next 10 years. I am not having any doubt on that.

But what we have to learn from China is that while we are harvesting the sort of produce from manufacturing, we should not sacrifice the long-term vision of investing in technology, in engineering, in design, and end of the day, India has to become a product nation.

Now, the product may be of the brand owner. The backend technology has to be with companies like us, which develop products, develop technologies. And that is where I think everyone should be focused.

On what are the areas which may become future, I really can't say as of now. Data centers is a big buzzword globally. Let's see how it pans out. It is opening up big opportunities for manufacturing currently. Long run, I really can't say on that.

Semicon is another business where we in India, I think majority of the companies would be focusing on the assembly and the whatever part. Design part is where the cake is, where the cream is, and then the fab. So, we have to see how we get into the higher margin profile within the semicon ecosystem.

Bharat Shah: Very correct. Thank you, Gujral.

J.S. Gujral: My pleasure.

Moderator: The next question comes from the line of Rahul Maheshwary with Ambit Investment Advisors. Please go ahead.

Rahul Maheshwary: Two questions. First, while deciding or coming on board with any JV or any partner, what are the top three criteria you look at? What are the top three criteria which the partner looks in you? And second question is, can you give some kind...

So, first question was while deciding any partner or going with any JV, what are the top three criteria you look into the partner and the vice versa which the partner looks in you?

And second question is, while onboarding any customer, what is the gestation period? And can you give some kind of wallet share gain that is happening in a long period from a last of three to five years? These are my two questions.

J.S. Gujral: On the first part, I think we have always been very clear and sort of communicating with all the people that we enter into joint ventures or we acquire companies in areas where we are not present to fill in the gap of technology, regulatory approval, or maybe market access. So, if the joint ventures cannot bring any of the three things, then what is the point of entering into a joint venture?

So, a joint venture will be entered if the partner brings in something which I don't have, which could be technology, which could be access to a particular ecosystem, as we have said, the Japanese ecosystem, or access to some regulatory approvals or areas where we are not present. And that is why we acquired Elcome. We were not present over there and rather than reinventing the wheel, we thought it better that it would be better to acquire and sort of scale up that business.

So, those are the technology, market access, or regulatory approvals is what we look at in forming any joint venture or acquiring any company. Normally, we will not acquire a company which gives me additional revenues, but not one of these three strategic sort of entry points.

On your point of the scaling up of the customer, there are two sort of cases in this. One is where a mature product is being transferred to us. There the scaling up time could be 12 months to 18 months. Closer to 12, but not outside 18 months. But if it is a new product, which is yet to be validated in the market, this 12 to 18 could stretch from 18 to 24 or even 30.

So, there are two different case studies. So, we are seeing that where customers are migrating mature products to us, the ramp up is about 12 to 18 months because he has to phase out from his existing line or ramp up with me. I hope that answers your question.

Rahul Maheshwary: Yes. Just in addition to it, what kind of market share, particular customer you have increased up to? Because he also would be diversifying his entire chain. So, can you give some idea on that part that during the years, what kind of gain you have done in his entire ecosystem?

J.S. Gujral: Again, the global customers and the domestic customers. In global customers, when we enter their supply chain, I think we are a very small and insignificant player when we enter. Because if a company, as I say, spend a $1 billion on electronics and they supply Rs. 120 crores, or Rs. 150 crores, it is what, not even 2%, 1%.

So, there it could slowly and steadily go up to 4, 5, 6. But I don't expect with global companies, it could go up to 40% in the 5 to 7 years because they are very entrenched line, the supply chains. But the volume being so large, even if you have a 2%, 3%, 4% share, it could be $100 million worth of business, or $50 million worth of business.

On domestic customers, typically, we are either the number one or number two vendor. Very rarely we will be the number third vendor with my customer. And there the endeavor is always to keep increasing the wallet share and we have increased the wallet share with the existing domestic customers.

If we are one, we have sort of increased the gap between the one and two. And if we are number two, we have reduced the gap between us and the number one.

Rahul Maheshwary: And sir, how much would be domestic customer and global customer mix?

J.S. Gujral: See, my exports is about 24%, 25%. So, 75% is my domestic customer.

Moderator: The next question comes from the line of Tanay Shah with DAM Capital. Please go ahead.

Tanay Shah: Sir, I have two questions. First, obviously, you have highlighted in detail about the supply chain disruptions which the industry is facing. But given that even we focused on inventories as a strategic asset, let's say, for the next couple of quarters, do you see any risk to achieving the current guidance which we have? While you said that we will exceed the guidance what we are doing, is there any risk to the current estimates which we at least are projecting for ourselves for FY '27?

J.S. Gujral: See, I would answer this question with a caveat. On a micro level basis, on my demand side and my execution strategy, I don't see any risk. It is a tough choice. I am not saying it is a cake walk. It will be a tough walk. But we would achieve what we have guided or exceed what we have guided.

The only imponderable is the geopolitical situation in West Asia, and which is beyond my control or beyond control of anyone. If tomorrow it was to again escalate further and cause some significant damage to the supply chain capacities, well then not only me, but all the competitors, all the industry, everyone will have to bear the burden. So, that is the only imponderablefactor on which I believe I am not competent to comment what will happen.

Tanay Shah: But it was just more from a perspective of the particular bare PCB shortage, which we are seeing across the industry. And what we understand is that even single layer boards are something which are going into shortage.

So, do we feel like we are covered for the year wherein we see no risk from a delivery perspective? I understand the demand is strong.

J.S. Gujral: When you say cover, it is not that for the next eight months I have the inventories stocked in my factory. We have the orders, we are in constant touch with the vendors, we are in constant touch with the suppliers, or whatever, to ensure that whatever has been committed is given to us.

But again, it is a hypothetical question if one supply of chemical was to come down to zero, then the entire industry, global industry will come to a grinding halt. I don't foresee that situation. But it is a constant tug of war.

And I think, as I said, we have set up a separate war room in our company to only tackle all these shortages and ensuring that the supply chains are maintained. So, it has been carved out of the material supply chain team. So, they have 100% focus only on the critical items which we believe could have an impact on us.

Tanay Shah: Sir, just one last, if I can squeeze in. So, the core industrial portfolio, right? Obviously, in industrial, we also have the defense contribution. I am not sure what the number would be. But if we were to exclude that, the growth would surely have looked moderated.

So, how do we see that industrial portfolio going into FY '27, the growth? I mean, we know that we are going slower on smart meters, but any other outlets of growth, if you can sort of highlight out there?

J.S. Gujral: I think you have hit the nail on the head on the smart meters. I will request Bijay to delve on it in detail.

Bijay Agrawal: You are right here. Last quarter, the defense maritime business contributed approximately Rs. 140 crores into the industrial business of about Rs. 460 crores. So, excluding that, it was about Rs. 320 crores. And this quarter also, excluding that, this is about Rs. 325 crores near about.

So, there is actually this entire sequential reduction, which you are seeing. This is primarily because of the defense maritime business, which is much more seasonal, or maybe you can see it is much more rear-ended loaded in a way. So, that is one.

But again, in totality, industrial business is growing at a very decent pace. A lot of new businesses like we have been adding into this particular vertical, specifically the fuel injection system, and maybe the other utility metering business that is also growing.

Only the Indian smart metering business, which is also the uptake there is slightly lower in last two quarters. And we are also deliberately keeping a watch on it to keep our working capital under control there. So, that is how this particular vertical is doing.

Tanay Shah: Thank you so much for answering my questions and wishing you all the best.

Moderator: The next question comes from the line of Santhosh Seshadri with Avendus Spark. Please go ahead.

Santhosh Seshadri: So, my first question is on the divisional growth outlook over the next couple of years. You have been mentioning that the company as a whole could grow at 30%-35%. And you are already exceeding that. Could you help us break down how the different business segments are likely to grow? And which divisions do you expect to outgrow the company average? And also, is there any possibility of any new set segments or sub-segments emerging, given the opportunities that you mentioned within the semiconductors and data centers value chain?

J.S. Gujral: So, I will take this question. First on the growth part, as we have already said that this year, we should be not only achieving but exceeding what we have guided. So, it is 35% plus growth rate for the current year.

And we maintain that for the coming years, that is '27-'28, '28-'29, at least for the next two to three years, we would be able to grow at this percentage going forward on a higher base. So, the business, the clients which we are onboarding, I think they have a tremendous potential of maintaining this momentum of the growth, if not increasing it further.

I think you must appreciate, everyone must appreciate that the global clients when we onboard, they take two years to start giving decent figures. And it is only the third year that the real growth happens. So, whatever export growth we are witnessing today, is the effort of the clients which we had onboarded in '23-'24, '24-'25, and '25-'26. The clients which we have onboarded in '25-'26, they may contribute something in this year, but the real contribution will come in '27-'28.

And we have onboarded several global clients, which have a big potential of giving revenue. And these are spread across automotive, industrial, MedTech, export. Domestically, automotive remains to be the cornerstone for growth, led by the EV. EV is seeing a surge because of the fuel price increase. All the figures are in public domain, the way the EV industry, vehicle industry is growing, and we are well integrated into that system with the electronics on the vehicle and the charging infrastructure.

We are also sort of growing significantly in the coming years. This year it may not be very big into the ecosystem of the data centers, which would be the power management and the cooling systems for the data center. We are beefing up our Bangalore facility and dedicating certain areas to cater to this business. Early days, but we are very confident that this will scale up significantly in the coming years.

Bijay, if you would like to add anything.

Bijay Agrawal: Broadly, we are done.

Santhosh Seshadri: And just to clarify, just to double check here, we are expecting the growth rate to continue at about 30%, or did you mention that there is a high base effect where the growth could moderate?

J.S. Gujral: No, what I said was that current year we are achieving what we have guided, rather exceeding what we have guided. Going forward, we are very confident that at least for the next three to five years, five years is a very far away figure, but for FY27-28, FY28-29, and maybe thereafter, we are on track to achieve 30% to 35% growth rate.

What I said was the global customers which we have onboarded have a potential of further giving a bit or sort of an uptick to this growth rate. Early days, so I can't commit a figure to it, but they are giants. They buy billions worth of electronics. So, they have the potential for us to grow at even a faster clip.

But I can't comment and commit today because we are yet to start series supplies to them and all those things, and the geopolitical situations, how they pan out in the coming years. But the trend today is that people are looking at diversifying the electronic supply chains, and India is one of the preferred destinations.

Santhosh Seshadri: Just a follow up on that. On the exports, you mentioned that the momentum is very strong. So, is it concentrated in any few verticals like industrials or MedTech or are you seeing a broad-based traction here? And beyond the supply chain shift away from China, what is driving specifically this for Syrma? Is it largely existing global customers giving wallet share gains or is it like a significant new addition on the export front?

J.S. Gujral: See, on the export front, currently the composition is broadly between industrial and MedTech. Broadly, little bit in RFID which goes into different applications and little bit in auto. We crossed the Rs. 120 crore mark in auto exports last year.

Some of the new clients which we have onboarded belong to the automotive sector. So, going forward, I believe automotive sector, alphabetically, industrial and MedTech would be the drivers for the export growth.

Bijay Agrawal: IT also.

Santhosh Seshadri: That is very clear. Thank you very much, and all the best for your future execution.

Moderator: The next question comes from the line of Archit Shah with 360 ONE Capital. Please go ahead.

Archit Shah: Sir, my first question was that your presentation mentioned that your net working capital and your working capital loan increased because you have some early ramp-ups in some customers. So, is that built in in our growth, like the confidence that you are seeing of increasing your growth from 35%? Does that also include that or is it just 1st Quarter performance that gives you confidence so that can be more growth achievable on early ramp-up?

Bijay Agrawal: Borrowing increased primarily because of higher working capital investments and mainly led by higher inventory carrying right now in this quarter because of certain supply chain constraints and also faster ramp-up of the customers. On the faster ramp-up side, this is primarily on the consumer segment. That is where we have seen a higher consumer segment mix in this quarter, higher volume mix for that particular vertical here.

So, here, generally, like instead of full year even distribution, we have seen a faster ramp-up from few of the customers here. And also on the auto segment side, the customers whom we have onboarded last year, this quarter some bit of a faster ramp-up we are expecting from those clients seeing their order book visibility now. That is where we are preparing for the same.

J.S. Gujral: I hope that answers your question.

Archit Shah: Yes, sorry, just a second question, sir. Where are we on defense segment right now? What could it be of overall contribution in this year and next two years? Like, how can the ramp up look like? Are we also getting new customers on our own onboard or we are only relying on customers that Elcome has?

J.S. Gujral: So, on the defense vertical, I think it is early days. It's just been six months since we have acquired that company majority stake. We are very confident that going forward, this sector, defense portfolio, would continue to give 30%, 35%, growth rate.

So, as I said, we have acquired a platform for the defense setting. We are in sort of dialogue or search for beefing up the portfolio in this company. So, in the coming three to five years, we will not rely only on the existing offerings of Elcome. We would definitely be adding more sort of technologies or offerings to the menu. And so that we can cater to a broader spectrum of customers.

Early days today, I think let's wait for six to nine months to have a better grip over what all we will be doing in the defense. Short term, we will be growing on the portfolio of Elcome, but we will be definitely adding more products and services or offering to this menu.

Archit Shah: And sir, just one last question on this current quarter's growth in auto and also 100% in healthcare and 68% consumer. Within that, is there any particular customer that we have increased wallet share, or is it just an early ramp up in consumer?

And also, which product might have seen a larger growth, like, say, in auto, is it at EV we are making more inroads? And within consumer, it is at BLDC motors or anything that we are making more inroads, any such thing?

J.S. Gujral: I will just broadly answer and then Bijay can take the details. Automotive, I think we are seeing a big traction in the EV and the growth has come from expansion of business from the existing customers, plus adding a few customers, which will significantly grow in the coming quarter. They may not have added too much to this.

One major growth area in the automotive is the charging infrastructure. We classify it as Automotive.

Bijay Agrawal: Yes.

J.S. Gujral: Yes, automotive charging, that business has seen an uptick compared to the last year. So, very bullish on the automotive sector. And with the addition of a global customer, not in this year, but in the next year, we expect that this sector would continue to see this strong traction. On the consumer, Bijay, I think you have the details.

Bijay Agrawal: So, automotive, yes, EV is growing faster. So, that is where, we see a lot of new customer onboarding also and the business growth also together. Consumer, again our telecom business is growing in this quarter, which has shown up maybe faster, or maybe early kind of schedules here in this quarter.

Apart from that consumer business, our ODM business also has grown into the customer-consumer segment here, which is more of a water purification business. That has also shown a good traction into this quarter.

Similarly, on the healthcare side, apart from that MedTech business, this quarter, our RFID solution business going for MedTech end-user, healthcare end-use, has also grown significantly.

And on the industrial segment side, I have updated that smart metering business is slightly lower in this quarter, but power supplies are good. And defense is also maybe subdued in this quarter.

Most importantly, IT sector business is also growing at a very faster pace. There are a lot of IT assembly businesses, what we are currently doing. We are also targeting to do the domestic motherboard manufacturing also gradually there. We also have a C-DAC approval in our favor, which helps us, or maybe on the basis which we are eligible to design and manufacture server motherboards also, which we are already in the process of working with few select clients already.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to Mr. J.S. Gujral, Managing Director, Syrma SGS for the closing remarks.

J.S. Gujral: Thank you. And I think Q1 has laid the foundation for a sustained growth in the coming quarters and the coming years. And as we have all the time been saying that we are very focused on execution, and I think that has started paying results. And we should be reaping even better benefits in the coming quarters and the years.

As I said, the management is very, very focused on building our institution and having a long-term objective. We have our internal plan for the next five years, where we want to be, what we want to be. And we are going in that way in a very structured and strategic fashion.

The geopolitical situation continues to be an area of concern, not for us, but it is a global thing. And I think if the industry, despite these turbulence, is able to demonstrate a healthy growth with margins, I think full credit to the industry as a whole. I am speaking from the industry point of view, not from the company's point of view.

Apart from that, I think we have focused greatly on ESG, though not mandated. We have been awarded the gold medal by EcoVadis, which rates us among the top five percentile companies in terms of ESG. So, we are very mindful of our responsibility to the society and environment.

Again, not mandated by any regulation, we have signed up with SBTI. It is an initiative based out of England, to set our target for emission and carbon footprint for the next 10 years. So, our team is in dialogue with them to set the targets.

And I think one point would highlight the whole thing. We have a senior executive, president-level executive looking after ESG. So, that, I think, shows the intent and the sort of focus which the senior management team led by the Board has on ESG.

Going forward, I think we are well entrenched to integrate ourselves with the global supply chain. The work in progress is to further beef up the ODM business. Now, I am only talking of the existing EMS business. Beef up the ODM business, and we are strengthening our capabilities in that sector.

With Jaidit Brar joining us, and he brings with him a very sort of 360 view of the business coming in from a consulting background. He is not sort of marred by a myopic view of production-led manufacturing. So, I think that will place us in good state in the coming years.

Semicon continues to be an area of focus, but we are in no hurry to jump into the bandwagon till we are sure about the credibility of the partner. Because it is an industry which is sort of notorious for its requirement of deep pockets and fast-changing technologies. So, we don't want to burn cash and our fingers or whatever until we are sure about the credibility of the partner.

We are currently in dialogue with several of them, but since nothing is concrete, I am not in a position to commit anything. But I can only commit the management is focused that we should be a part of the semicon supply chain, but within the sort of red lines drawn by us.

And I think our team has done a phenomenally good job, and I would like to, through this medium, thank the entire team of Syrma SGS and all the value partners, whether they are channel partners for supplies, for technology, the bankers, and everyone, and last but not least, the investors who have reposed confidence. We had a tough couple of years in the beginning, but I think the worst is behind us, and we are well on track to be one of the recognized Indian global EMS companies. Thank you very much.

Moderator: Thank you, sir. Ladies and gentlemen, on behalf of Axis Capital, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.