SANDHAR
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Ref: STL/SE/ 2026-27/Investor Call Transcript /48

Dated: 19th November, 2026

To,
Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai- 400001

To,
Listing Department
National Stock Exchange of India Limited
C-1, G Block, Bandra Kurla Complex
Bandra, (E), Mumbai- 400051

BSE Code: 541163, NSE: SANDHAR

Sub: Transcript of Investor's Conference Call held for Q2 FY 2026-2027

Ref: Regulation 30 read with part A of schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir/Madam,

With reference to our letter dated 23rd October, 2026 related to the Investor Conference Call and pursuant to Regulations 30 and 46(2) (oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the transcript of the Investor's Conference Call held on 16th November, 2026 to discuss the financial results for the 02nd Quarter and half Year ended 30th September, 2026.

The above information will be made available on the Company's website www.sandhargroup.com.

Further an Audio Recording regarding the Investor Conference Call is submitted to the Stock Exchange vide letter dated 16th November, 2026.

We request you to take the same on record.

Yours faithfully,

For SANDHAR TECHNOLOGIES LIMITED

Yashpal Jain
Digitally signed by Yashpal Jain
Date: 2026.11.19 11:18:15 +05'30'

Yashpal Jain
Chief Financial Officer & Company Secretary
M. No. A13981

Encl. as above

“Sandhar Technologies Limited

Q2 FY27 Earnings Conference Call”

November 16, 2026

MANAGEMENT: **MR. JAYANT DAVAR – EXECUTIVE CHAIRMAN, EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER– SANDHAR TECHNOLOGIES LIMITED**
MR. GURVINDER JEET SINGH – WHOLE TIME DIRECTOR AND HEAD, CORPORATE STRATEGY – SANDHAR TECHNOLOGIES LIMITED
MR. YASHPAL JAIN – CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY – SANDHAR TECHNOLOGIES LIMITED

MODERATOR: **MR. CHIRAG JAIN – EMKAY GLOBAL FINANCIAL SERVICES LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to Sandhar Technologies Limited Q2 FY27 Earnings Conference Call hosted by Emkay Global Financial Services Limited. As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Chirag Jain from Emkay Global Financial Services Limited. Thank you, and over to you, sir.

Chirag Jain: Thank you, Anam. Good morning, everyone. On behalf of Emkay Global Financial Services, I would like to welcome you all to the 2Q FY27 earnings conference call of Sandhar Technologies Limited. Today, we have with us from the management team, Mr. Jayant Davar, Executive Chairman, Executive Director, and CEO, Mr. Gurvinder Jeet Singh, Whole-Time Director and Head of Corporate Strategy, and Mr. Yashpal Jain, Chief Financial Officer and Company Secretary.

We will begin the call with opening comments from the management team, followed by the Q&A session. Over to you, Jayant sir.

Jayant Davar: Thank you very much, Chirag, for arranging this. Let me begin by wishing everyone a very good morning. Ladies and gentlemen, a very warm welcome to all of you to the quarter two and half-yearly earnings conference call of Sandhar Technologies Limited.

It gives me great pleasure to share that Sandhar has delivered a strong performance in the first half of FY27, achieving a revenue of INR2,999.57 crores, which is basically INR3,000 crores, which includes INR1,618 crores in the second quarter. This marks our highest-ever quarterly and half-yearly revenue, reflecting sustained growth momentum.

Our performance highlights the resilience of our business model, strong customer relationships, operational efficiencies, and the commitment of our teams. We have also significantly outperformed industry growth, reinforcing our strong market position and execution capabilities. If you look at Sandhar's performance versus industry growth, Sandhar has continued to outperform the industry along key segments.

The overall industry growth was 21%. Sandhar grew at 27%. If you look at the two-wheeler industry growth, which was 20%, Sandhar grew at 33%. If you look at consolidated half-yearly performance, you would notice that the growth in profitability, particularly at the PBT, reflects improved operating performance and our continued focus on operational efficiencies and financial discipline. The key highlights are the revenue, like I said, is around INR3,000 crores, registering a growth of 27% year-on-year.

EBITDA at INR261 crores is up 24%, with an EBITDA margin of 8.64%. If I look at PBT, which is INR123 crores, that is registering a strong growth of 52% year-on-year. This is, of course, before JV profits and non-recurring income. The sustained growth in our business demonstrates the strength of our core operations, supported by a healthy demand across various segments, deeper customer engagement, and improved operational execution.

If I look at our EV business, there have been questions. We are witnessing a gradual but encouraging traction in this segment. During the first half of 2027, our EV business recorded a revenue of INR18 crores. We have sold approximately 11,116 motor controller units and 19,209 battery chargers. We remain focused on strengthening our EV portfolio and expanding customer engagement, capitalizing on the emerging opportunities in the electric mobility ecosystem.

Joint ventures. Our overall performance for our five JVs remains satisfactory, with encouraging contributions across businesses. If I come to overseas subsidiaries, the business continues to remain a key area of focus, with encouraging signs of operational improvement and turnaround. If you look at the key achievements, we have achieved a positive EBITDA margin of 10.02% and 10.64% in the half one of 2027.

We have reduced our EBT level losses to 0.8 million, lower than the corresponding half-one period of the previous year. We have stabilized the revenue and improved overall operational performance. This obviously has come through strengthened cost controls, operational rationalization, and resource utilization across overseas operations.

To conclude, Sandhar remains firmly on its growth trajectory, backed by strong fundamentals, a diversified business portfolio, and longstanding customer relationships. We would like to reiterate our aspiration to double our revenues every three to four years while consistently improving margins, profitability, and return on investments. Our focus remains equally strong on profitable growth, operational excellence, and disciplined capital allocation.

We continue to remain prudent in managing our cash flows, preserving liquidity, and ensuring that our financial resources are deployed efficiently to support future growth. I would like to take this opportunity to sincerely thank our investors for their continued faith and confidence in Sandhar. I also extend my gratitude to our customers, business partners, employees, and all stakeholders for their continued support and contribution to our journey. Thank you all for joining us today.

We look forward to your questions and feedback. Joining me, like Chirag said, are my colleagues, Mr. Yashpal Jain, who is the CFO, and Mr. GJ Singh, who is the Whole-Time Director. We are open for questions now. Thank you once again.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Aditya Kondawar from Complete Circle Capital. Please go ahead.

Aditya Kondawar: Hi, management team. Good morning. I think great set given that Q2 did not have the festival season and we had a land sale in Q2 FY26. My first question was, what is the exact margin that we are seeing for this year? Could you just delve deeper onto the EV side of the business, the next six to 18 months, what kind of scale-up are we seeing there and what kind of conversations they are having there? Thank you.

Jayant Davar: Thank you for those two questions. Let me take the EV one first, and I will leave the numbers question to Mr. Yashpal Jain. On the EV side, we had a budget of doubling our revenue from last year, and we seem firmly in place to be able to achieve that. I think the traction is built. The

quality, consistency of our products is now being evaluated well and accepted. We are very, very bullish on this growing as the industry grows.

As always, we will grow much faster than the industry is looking to grow. Let me once again remind you that ours is a unique product which is completely built in India, and therefore, we do have a lot of traction that is now coming in from all parts of the EV industry. Yashpal Ji, do you want to respond to the numbers part?

Yashpal Jain: Yes, the first question. Aditya, we expect to maintain the bottom lines that we have mentioned in our last year's call as well as the various meetings during the year. We will be above the margin that we put in last year, the operational margins. So it is going to be around, you can take around between 9% to 9.25% to 9.35%.

Aditya Kondawar: Noted. I have a few more questions. I will get back to you. Thank you.

Moderator: Thank you. The next question comes from the line of Rucheeta Kadge from CJW Investments. Please go ahead.

Rucheeta Kadge: Hello, sir. Very good morning, and congratulations on a good set of numbers. My question was on the gross margin part. We saw around a 300-basis point of reduction there. How much was this because of change in the mix, and how much was it because you could not pass through the cost?

Yashpal Jain: Yes. Half year, if you take the operational margins, it's a difference of 20 basis only. Last year it was 8.84, this year we are at 8.64, because last year there were some non-recurring incomes. If we eliminate the same from the operational income, it's a 20 basis gap only.

As we mentioned in the presentation also, there is an impact of INR13 crores on account of the minimum wages impact that has been high in this year's financials compared to the last year, half year. We are in discussion with the customers, and the settlement is expected to take place part of this amount in way of settlement in third and fourth quarter of the current financial year that we are expecting.

Rucheeta Kadge: No, I'm talking on the gross margin side, where the employee cost is not impacted, just for this quarter. We did around a 33.4% of gross margin, right? Versus last year, we did around 36.7%, and the previous quarter, we did around 35.6%. Was it because of change in mix? Was it also because you couldn't pass through the cost? Just on that, and how do we see the coming quarters?

Yashpal Jain: Basically, the percents are impacted because there has been a rise in the commodity prices. If you see the commodity prices, a part comes in the revenue also, a part goes to the cost similar portion that we get a reimbursement from the customer. That is the reason these dynamics are changing in terms of percent. But on absolute basis, if you take, there is a 3%-4% gap in the material cost on an overall basis.

If I take the commodity in terms of aluminum and other, taking the average weighted cost, 3%-4% is coming the impact of the price hike in the material cost. Otherwise, as far as the manpower

cost is concerned, we have described it separately. That is the reason we have parked it separately. Otherwise, all the costs, they are more or less in line with the same.

Jayant Davar: Let me just add and supplement this by saying that obviously what Yashpal Jain has said is that there is a denominator effect on account of the increase in commodities. And some of this has not even been passed on to us in terms of pure pass-through, which happens a quarter later. So you will see that these margins will improve, but a large part of what you are talking about is also the denominator effect.

Rucheeta Kadge: Okay. But we see improvement in the gross margins...

Jayant Davar: Yes. Absolutely.

Yashpal Jain: Yes, Yes.

Jayant Davar: Absolutely.

Rucheeta Kadge: Got it. Okay. Thank you so much.

Moderator: Thank you. The next question comes from the line of Rudraksh Raheja from ithought Financial Consulting. Please go ahead.

Rudraksh Raheja: Thank you for the opportunity, sir. In the Investor Presentation, there is a slide where you have listed our new projects, and you have mentioned that the investment is INR540 crores and the revenue is at INR312 crores for these projects. Can you talk a little bit about each of these projects and what kind of capacity utilization we are currently operating at, and the break-even levels that is required?

Jayant Davar: If you see that slide that you are talking about, Rudraksh, there are five new projects that have been mentioned. The first one is the CMT vertical, which is the business that we acquired from Sundaram-Clayton. This is a business which is now coming into a new facility, and that new facility is almost ready. We are waiting for the balance part of the power to be given by the state.

We have started operations already, but we are hopeful that in the last quarter of the year, we should be fully in place with all operational aspects covered. In this particular case scenario, we have the aluminum die casting, which is high-pressure and low-pressure. We have the alloy making, we have machining, and we have the tool room as well. We do believe that this will probably be the largest facility of its kind in India.

With the investment, we do believe that as we typically look at, it will be three to four times the size of the investment that we put in. On the second, which is the cabins and fabrication division at Sanaswadi, again, we are hopeful that this will now get the traction, and we are already in place where we will see a turnaround happening in the quarter three of this year as well.

The Chennai plant of sheet metal is Oragadam, where again, while work has started, we do believe that the full impact of this, as well as the EV and overseas, will start reflecting in the next financial year.

The investment is INR540 crores, and like I said, our expected revenue is three to four times of the investment. Currently, our EBITDA is negative, and our PBT is negative to the tune of almost INR25 crores. In this, we are hopeful that we will see improvement as we go along into the next quarters and into the next year.

Rudraksh Raheja: Got it, sir. Got it. And sir, you said 3x, 4x the turnover that you expect…

Jayant Davar: That's right. Absolutely.

Rudraksh Raheja: What about EBITDA or PBT margins? If you could talk about that also...

Jayant Davar: We will reach the margins that we typically do in our business. What you see now is negative margin. Our typical operational margin is what we choose to do is about 10% odd. We are hopeful that all these businesses that you see will reach those levels on stability.

Rudraksh Raheja: Understood, sir. Understood. Sir, could you also talk about the capex plans that we have for rest of the year and maybe FY28 as well?

Jayant Davar: What is the balance, Yashpal Ji, on capex? Is Yashpal Ji there?

Yashpal Jain: Sorry, I was on mute. As of now, we have spent INR191 crores, which includes the carry forward capex from last year also. Another INR150 crores of cash flow, I mean, the cash outflow on account of capex will be done in the coming period, in the next five months, sir. INR150 crores. Hello?

Rudraksh Raheja: Got it, sir. Got it. Sir, for next year, any capex guidance that we may give?

Yashpal Jain: Normally, 5% to 7% of revenues you can take annual capex, which includes a content of growth capex also, improvement, maintenance, all sort of capex. Excluding the new projects, sir.

Rudraksh Raheja: Got it, sir. Got it. Thank you for taking my question.

Moderator: Thank you. The next question comes from the line of Abhishek from Crest Portfolio Private Limited. Please go ahead.

Abhishek: Thanks for the opportunity and congrats for recent set of numbers, sir. My first question in the aluminum die casting business. How is the revenue contribution from the all three, domestic, overseas, and Sundaram-Clayton? How is the outlook of all three in terms of the margin expansion and recovery from losses to profit?

Yashpal Jain: The revenue from the Indian aluminum business is INR765 crores. We have mentioned this in page three of our presentation also. Overseas is INR258 crores is the revenue. Taken together, it's close even INR1,000 crores of revenue in aluminum die casting. The fabrication revenue is INR861 crores. As far as margin is concerned, we are above 9% in these verticals. Then the Sundaram's project, which is still in the commissioning stage.

As far as mentioned in the previous question, it's going to be fully operational by April 2027, subject to we get the remaining power of 2 MW from the government. That is incurring losses

on account of, I think, at the execution level. Rest, other businesses, other manufacturing locations, they are sustaining above 9% of margin.

Abhishek: How do you see the improvement in overseas business margin in the coming quarters, sir?

Yashpal Jain: Overseas, this half year has been good compared to the corresponding half year. Next half year, I mean, second half year will be more better compared to this first half year. We expect to reduce, cut down the losses by at least 80%-90% of the last year's losses. I think starting April 2028, we will also be into profit, sir.

Abhishek: Okay. In Sundaram-Clayton's, what would be the losses in this year, and what would be the margin from the next year onwards from Q1 FY28?

Yashpal Jain: Yes. Half year, we had a loss of INR14.38 crores in Sundaram's business, sir. Largely on account of unabsorbed finance cost and depreciation, largely attributable to that. Because we have started operations from two locations. The small operations from the new premises, very small, a trial type.

But the rental and fixed expenses already started in the new premises in the second quarter. As well, we are operating in the old premises that we got on rental basis from Sundaram, from which we expect to continue till March 2027. So, INR14.38 crores has been an EBT level loss, while EBITDA has been INR1 crores loss only.

Jayant Davar: Abhishek, if you look at Slide 8 of the presentation, you would see that if we were to move the new projects, which were mentioned in the previous slide, if you look at our EBITDA margins, yes, in the quarter two, we are 20 basis points less, which is our EBITDA margin is 10.2% versus 10.4%. But if you look at the half year, we are actually even better than last year.

This is despite the fact that we have not got the increases so far from the customers that we expect, which will come in the second part of the year, which will also have a retrospective effect for the first half. That will get added. From an operational perspective, we do believe that our margins will improve.

Abhishek: So, that means that second half margin would be better than the first half by 30, 40 bps?

Jayant Davar: Yes, I would expect that.

Abhishek: Okay, got it. What is your full year guidance in terms of the margin? Is it intact 9% plus ?

Jayant Davar: Yes, absolutely. We have given, and that is on an operational side. Obviously, the ones that are operating will be even much, much better. But yes, the guidance that has been mentioned by Mr. Yashpal Ji, it will definitely be over 9%.

Abhishek: Okay, sir. My last question on the sheet metal part. We have seen very strong growth in the sheet metal. Is it because of the increase in the prices, or we won some new business for sheet metal?

Jayant Davar: These are largely new businesses. Even if you look at castings and you look at sheet metal, both these, of course, there has been some commodity upside, more in aluminum than in steel. But

the revenue increase that you are seeing is largely coming from new businesses that are getting established.

Abhishek: What is that client name, sir?

Jayant Davar: Client name is TVS, for example, but it's coming from everywhere, whether it's Hero, whether it's Royal Enfield, whether it is Honda. All of them have given us new businesses which we've now undertaken and are in the process of stabilizing and growing.

Abhishek: Got it, sir. Thank you, sir. That's all from my side.

Yashpal Jain: Thank you.

Moderator: Thank you. The next question comes from the line of Sangeeta Purushottam from Cogito Tech LLC. Please go ahead.

Sangeeta Purushottam: Yes, hi. Good morning, and thank you for taking my question. Firstly, also thank you for a very detailed presentation where you slice the business in different ways to give a deeper understanding. So, that's really useful. My question really relates to Slide 8, where you have shown the difference in the performance between the running business and the new business. My question is that in the first half, when we're looking at a PBT loss of about INR25 crores, it's higher than last year. Is that primarily because of the TVS acquisition?

Jayant Davar: Yes, Sangeeta, you are absolutely right. As the business has grown, this has combined both. Sometimes it becomes because it was a running business and we moved it into a new facility. So, you are actually running two facilities as we speak today. Some portion is running in one, some portion is running in another. Both of them are large facilities.

And obviously, when you look at the cost of utilities, the cost of manpower, the cost of various other associated aspects, the losses exaggerated on account of that. We are confident that in the last quarter of this year, there will be only one facility, and a lot of these would be subjugated and consolidated into a single cost, better than the other one.

Sangeeta Purushottam: Okay. My second question is that, when we look at the running business, I am assuming the running business includes the overseas business, right? So, what you are classifying as new business is really the new projects, the TVS acquisition-

Jayant Davar: Yes, absolutely. I mean, the new projects have been clearly defined in Slide number 10.

Sangeeta Purushottam: Right. Okay. If you look at the top part of that slide where you have the running business, and as you mentioned earlier that the EBITDA is down only about 20 basis points compared to last year.

Now, what kind of EBITDA margin are you expecting in a steady state business, once your customers have given you the compensation for the cost increase? If at the end of the financial year, we will be looking at the EBITDA margin, we look at this slide, what should we expect to see here for the full year on the running business?

Jayant Davar: Again, Sangeeta, this is, I take you back to some of the earlier conversations that we've had in investor meets, where I think Yashpal Ji has very clearly identified that we are in the process of not just consolidating, but improving our margins.

We had given a guidance that there will be an improvement of almost 50 basis points year on year. We are still on the same path, and we see no reason why that should change. Giving that guidance, I think you get clarity on what to see here and where we are headed.

Sangeeta Purushottam: Okay. As far as the new businesses are concerned, what is the path that you see to profitability in the next two years? Let's say, first half, we're looking at a PBT loss of about INR25 crores. Let's say for the full year, it's about I'm just throwing a number for the sake of making a point. Let's say it's INR35 crores or INR40 crores, and second half is better.

Then from that minus INR35 crores, INR40 crores to a plus 10% kind of margin, which you make, 10% plus margin, which you make on your normal, on your running business. How long is that path? Do we see that minus INR35 crores, INR40 crores going to zero next year and then moving to profitability in FY29? If you could just give some clarity on that.

Jayant Davar: Sangeeta, obviously this needs a much-detailed answer. But to give you a synopsis, all I can say is that out of the new projects overview that you see on Slide 10. The largest part of the loss comes from the Sundaram-Clayton acquired business.

And if we are going to shift to the new facility consolidated by the Q4 of this particular year. We are very, very confident that you will not see a loss in this aspect in the next year itself. If a large part of the PBT loss is coming on account of that, that will be eliminated completely in the next year.

Sangeeta Purushottam: Okay. How do we see the path in the other businesses, other than Sundaram-Clayton? Would that be also eliminated next year, or is that a slightly longer journey?

Jayant Davar: Well, some of them, for example, I am very confident that the sheet metal business will be in profits. The EV business is still new business, and we considered it novice for us in some sense. Where we are establishing, I think it will take some period of time, but effectively the losses will get less from where we are. The Romania business is the overseas business where we put up a project and it got delayed on account of the Ukraine war. The energy costs, which went up 800%.

They are again stabilizing. After this particular year, this financial year, where the investments will be complete in every sense of the term, whether statutory, compliance, or customer-centric, we do believe that next year we will not have any loss there. A large portion of INR25 crores that you see in the Slide 10 on account of new projects overview will not be there in the next year itself.

Sangeeta Purushottam: Okay. All right. If I can squeeze in one more question. How do you see the business outlook? I mean, we are seeing very strong growth in the first half. How do you see it for next year? Do you have any visibility on how things are likely to be, or it is not very clear?

Jayant Davar: Sangeeta, from what I understand and what the information that we get from our customers is that the year looks extremely strong. With the readability of us being asked for much larger numbers that are being expected for this particular year.

Irrespective of the growth of the industry, I would like to at least make a statement, and that statement is that irrespective of how the industry grows, you would be happy to hear that Sandhar is likely to beat that number by a considerable margin of the market.

Sangeeta Purushottam: Okay. Thank you. Thank you very much.

Moderator: Thank you. The next question comes from the line of Radha from Motilal Oswal Financial Services Limited. Please go ahead.

Radha: Hi, sir. Thank you for your opportunity. Given that the domestic die casting and the sheet metal businesses have grown sharply over the last three years, wanted to understand what is the average content per vehicle or a rough range of content per vehicle today for these businesses in the domestic two-wheeler and three-wheeler market?

Also, based on customer feedback or whatever visibility that you have today, where do you expect the content to move in the next two to three years for each segment? I mean, the die casting and sheet metal segment, and which products will drive this?

Jayant Davar: Well, thank you for that question. We don't have a slide in this time's presentation, but that's a good reminder that we must add it every time. You will have that as we go forward. I will not be able to give you for each model or for each company, because this varies from model to model.

But suffice to say that the contribution per vehicle, if you look at a motorcycle of Sandhar as a whole, ranges from anywhere from between INR3,000-INR4,000 to begin with, and goes up to almost INR35,000 per vehicle. So it's a considerable range. Depends from which model it is, which customer it is. But wherever, if you're able to break it up further into sheet metal and casting and electronics and our locks and mirrors, they again vary a lot.

We are very happy to answer that question in detail, rather if you were to write to us, and we will respond. But for me to go into deeper details in this call may take away time from the others.

Radha: Sure, sir. Actually, sir, I wanted to have a broad understanding, not in detail, but let's say, what portion of the content per vehicle in sheet metal or die casting is an opportunity that is untapped by the company, and you feel that that could be an opportunity that the company will be capturing over the next two to three years in these segments?

Jayant Davar: Well, in terms of the opportunity, the opportunity is huge, because like I said, we've proven ourselves to be a very consolidated sheet metal parts supplier. If I look at just sheet metal in itself, we can go into casting separately, which is similar in its tone and spirit. But we make from frames to undercovers to tanks to handles to brake assemblies to everything.

And if we do all of that for one particular vehicle, the rest of the market where we don't do is also an opportunity for us, which we are not only approaching customers, but the customers are approaching us. So, I would think that if you look at it from a perspective of where the opportunity is, we've tapped less than 10% of the market.

Radha: Understood, sir. And the second question is, could you describe the supplier consolidation that is happening in these segments in the industry today? So, are OEMs reducing the number of suppliers per part, and is the business moving from smaller, unorganized players to proven players like yourself?

Jayant Davar: Oh, absolutely. I think that's the reason for consolidation and the business coming our way. It is the need, the requirement, and the prerogative of the customers to improve and work very closely with a smaller set of suppliers. They also need to be financially sound. They need to have engineering capabilities.

They need to have the wherewithal to be able to put up projects and at the speed of how models are changing, and the speed at which the volumes in the market have been growing, the way the quality parameters have now been strengthened, because you are aware that a large part, almost 25% to 30% of the market, or what is produced in India is exported.

I think they need quality suppliers, they need world-class suppliers, and that has been the reason for this consolidation to happen. This consolidation will continue, and I think it'll have the important and the opportunistic benefit to companies like Sandhar.

Radha: All right, sir. That's good to know. Thanks, and all the best to the team.

Moderator: Thank you. The next question comes from the line of Andrey Purushottam from Cogito Tech LLC. Please go ahead.

Andrey Purushottam: Thank you for taking my question. I just had one question which is related to the power situation in Chennai, and it is related to your Sundaram-Clayton plants. From what you said today and what you have said in previous calls also, you are expecting this to be resolved by the end of this financial year.

Could you give us some color exactly what exactly is happening there, and what is your confidence level of this getting resolved in terms of power availability in the timeframe that you mentioned?

Jayant Davar: Yes. Our requirement for that facility is 4 megawatt. 1 megawatt was released to us in about a month and a half ago. The second megawatt has been released to us, which we started utilizing only the last 15 days. Obviously, there was a problem with the availability of transformers and the allocation of power in that particular region. But I understand that all those formalities have now been established, and therefore, it is now a question of releasing that.

We are hopeful. What we have been promised is that this will be done by the end of December. But we are very, very confident that the impact of all of that will come in the last quarter of this financial year.

Andrey Purushottam: Okay. Is my understanding correct that in order to utilize this facility properly, you do need the entire 4 megawatt, and part allocation doesn't really help in terms of utilizing your facility in an efficient fashion?

Jayant Davar: No, no, it does actually. Our all-high-pressure die casting is now active.

Andrey Purushottam: Okay.

Jayant Davar: We still have to move our low-pressure die casting from the original facility of Sundaram-Clayton to the new facility. That, of course, is pending on account of this availability of power. Similarly, there are some machining lines that have to be shifted. Those are delayed from the original plan.

But we do believe that by the last quarter of this particular year, we will have everything in one facility. I think there was an earlier question of why the costs are higher and why the losses are higher, and I did mention that at this point of time, we are running two complete facilities instead of one. We do believe and we are confident that that will not be the case post the last quarter of this year.

Andrey Purushottam: Would it be right to say that as compared to the last quarter, your perceived visibility of it getting resolved by the last quarter of the year has actually improved?

Jayant Davar: Yes, absolutely.

Moderator: Thank you. The next question comes from the line of Rudraksh Raheja from ithought Financial Consulting. Please go ahead.

Rudraksh Raheja: Yes. Thank you for taking my follow-up question. Sir, I wanted to ask about the capacity utilization in our running business. Could you quantify that?

Jayant Davar: Well, see, our new investments, like I said, we look for asset turns or investment turns of three to four times. There is obviously the new investment, which you've seen is INR540 crores. Yashpal ji, you also mentioned that there is some balance capital costs or capex that has to be incurred in this financial year itself. That should give you a broad idea of the revenue and the opportunity in terms of what is coming from these new investments in itself.

Where our existing investments are concerned and where our existing components are concerned, if you look at our locks and mirrors, the investment required is very, very incremental. To grow that particular business or capacity utilization would probably be a misnomer in some sense, which might confuse.

But suffice to say that very, very small incremental costs can almost double capacities if that was to be the case. I hope that answers your question, but again, you've got to remember that your company is into almost hundreds of components, and for each, the story is a little differential.

Rudraksh Raheja: Okay. Sir, let me just try to come at this a little differently. H1 growth rate for us has been north of 25% for our revenue business. If we were to sustain this kind of a growth rate going forward,

when do we need a large capex, or we can manage this kind of a growth rate with our routine capex that we do every year?

Jayant Davar: Yes, that's what we are looking at. This is a story that was first brought to fore three years ago, when we had very clearly said that our growth highway is being consolidated for annual growth rate of over 20%. If you look at Slide number 7, I think that should give you some idea. If you look at 2023 H1, we were INR1,400 crores. If you look at H1 2027, we are INR3,000 crores.

The investments that have been made within this period of time, many of them have still not been brought up. You have examples of whether it is in sheet metal or Sundaram-Clayton and so on and so forth.

But our highway of business from our existing businesses and some portion coming from new businesses have led to these numbers. If you look at these numbers and you see the percentage of growth, it matches the numbers that you see that have happened in the first half of this year and the quarter of this year.

Rudraksh Raheja: Understood, sir. Understood. That was really helpful. Thanks.

Moderator: Thank you. Ladies and gentlemen, we will take this as the last question for today. I now hand over to the management for closing comments. Over to you, sir.

Jayant Davar: All right. Once again, I want to thank Chirag and the Emkay team for putting this together. I want to thank all the participants for this session today. I hope that we have been able to answer most of your questions. Some questions, of course, in case there are more details required, we are very happy to take questions from you to the company, and we would be able to elucidate even further on some of the requirements that you might have.

With that, once again, I wish you all the best for New Year. I hope everybody had a great Diwali. In terms of the industry, we do believe that we are on a very, very solid path as a company, as a sector today, and India as it grows.

With the compensations that we will receive from the customers in the next two quarters, we do believe that the margins will improve, and our next call will probably be on an even happier note. With that, once again, a big thank you, and thank you.

Moderator: Thank you. On behalf of Emkay Global Financial Services Limited, that concludes this conference. Thanks for joining us, and you may now disconnect your lines.