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November 23, 2026

To
The Secretary
BSE Limited
Corporate Relationship Dept.
PJ towers, Dalal Street, Mumbai -400 001

BSE Symbol: 505978

Dear Sirs,

Sub: Transcript of Investors Meet held on November 16, 2026

This has reference to our intimation dated November 16, 2026 regarding the outcome of the Investor Call held on November 16, 2026 through virtual mode with investors.

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby enclose the transcript of the aforesaid Investor Call.

The transcript is also available on the website of the Company at www.tritonvalves.com.

This is for your information and records.

Thanking You

Yours truly
For **Triton Valves Limited**
BIBHUTI MISHRA
Digitally signed by BIBHUTI MISHRA
Date: 2026.11.23 21:14:30 +05'30'
Bibhuti Bhusan Mishra
Company Secretary & Compliance Officer

Encl: As above

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Investor Meet- Q2 & FY27 Post Earnings Conference Call

Triton Valves Limited

CIN: L25119KA1975PLC002867

Date: 16.11.2026

Meeting Time: 04.00 PM

Speakers:

Mr. Aditya Maruti Gokarn

Chairman & Managing Director

Mr. Naresh Varadarajan

Chief Financial Officer

Mr. Appaiah K.B.

Whole-time Director

Mr. Prakash N

Finance Manager

Moderator:

Mr. Bibhuti Bhusan Mishra

Company Secretary and Compliance Officer

Aditya M Gokarn

In the company. So, as usual, you know, I've just prepared a quick slide deck that I can walk through and show all of you. Let me just get this started. Okay, sorry I think I was on mute. So very warm welcome to all the analysts and investors joining this call today. Thank you for interest in the company and thank you for joining us and taking the time. As usual, we prepared a slide deck just to kind of walk all of you through the performance of Q2 and also little bit talk about some highlights and you know what to expect going forward. So as usual I'll start with the disclaimer in safe harbor. As you all know this presentation and any discussion have here may contain certain words or phrases that are forward looking statements, these could be tentative and based on current expectations of the management. The presentation has been prepared for information purposes only and does not constitute an offer or recommendation to the company, right, and NO part of this presentation the basis of or believed in connection with any contract investment decision or in any form in relation to the securities of the company.

Aditya M Gokarn

Just moving on. Yeah, so today I'll walking through quickly, you know, introduction about the company and the group entities. We'll also go through the Q2 operational highlights. Of course, a little bit of the financial highlights of Q2 and the future outlook as well right, so if you look at the group, we basically have Triton Valves limited Which is the listed entity. This is the 50 year old business. Future tech and Hong Kong are the two wholly owned subsidiaries of the hold co. As we all know, we merged recently the climate control vertical which used to be Tritonvalves Climatech private limited. That's now merged into the hold co. So therefore the Triton Valves limited entity has two reporting segments the automotiove segment & Climate Control. Automotive Segment basically makes for Tires, Inner tubes and we also make products for TPMS- Tyre Pressure Monitoring Systems, the sensors, we also make components for EVs, we also have a retail after market vertical, right? In the climate control segment, we

basically make service valves, charging valves, ball valves. These are basically components that go into room and commercial air conditioners. Future tech is our metals vertical where we basically have a brass mill where we produce different grades of brass and copper alloys in exruded form, basically bars and coils of brass bronze, and copper alloys, right.

Aditya M Gokarn

Looking at the operational highlights of the Q2, just like to highlight a few, maybe interesting aspects of, you know, the performance for Q2, which all of you might find interesting to note. I would say Q2 we had in the automotive vertical, we had a fairly favorable product mix. There's a lot of traction that we are seeing on our components where you know the growth year on year is almost like a hundred percent plus, right? The revenue growth also contains a significant element of commodity rate increase, right? So if you look at the top line, the top line is a function of the volume growth in the, you know, the sale of products and also increase in the revenue realization per piece, which is basically linked to the commodities. The underlying commodities that we basically have in our business are copper zink and to some extent, butyl rubber, right? Which is a crud oil derivative. So if you alok at the, I would say volume growth. The volume growth has been in the range of I would say about 35 % and the remainder of the growth has come through, I would say commodity price increases, right? We have an indexation methodology with our customers where every quarter we index the commodity and we move it up and down depending on the three month average. We saw a lot of positive momentum in the sale of value added alloys in the metals vertical as well. We've already started supplying certain value added I would say alloys and the and during Q2 we saw increased I would say traction in the sale of these alloys. Climate con. All products actually did quite badly during Q2. This is usually the lowest part of the season where, you know, AC production around the country kind of goes into a very, very like low volume kind of mode. So I would say during Q2, this is July, august, September, our sale of the air conditioner related components

was actually quite small, to the tune of about two and a half grows only, right? For the entire quarter. We also saw a lot of increased momentum in export sales. This is primarily I would say to the US market where we had a little bit of a setback last year with the tariffs coming in and more than the tariffs I would say the uncertainty around, you know, how those tariffs would be applied on imports coming in from India. So a lot of the buyers were going a little bit slow. They were wanting to wait and watch to see if a trade deal will happen or there'll be some risk bite in tariffs. I would say during Q2a lot of that has kind of worked out more favorably for us. We had some good customers placing good orders in both the automotive vertical and climate control work, right? So this is something that, you know, we were seeing a good momentum actually in Q2A very important operational aspect that I'd like to highlight to everybody here today is that there is a very strong internal hedge between the component businesses and the commodity business, right? Which means to say that, you know, when copper prices shoot up. We do have a little bit of a lag in recouping that cost in the automotive vertical because, you know, every quarter we are, the price gets adjusted, but in intra quarter, we need to absorb those, you know, changes in the commodity prices. Whereas with the commodity metal business that we have. There we are able to offset quite instantaneously. So the two, businesses, the commodity business and the component business, they tend to hedge each other out internally, right? So a lot of the, I would say improvement in profitability that you're seeing is due to the structuring of the metals business hedging the component business, right? And we believe that is the structural change that we have executed fairly well over the last few quarters. You can see our maybe six to eight quarter performance. You can see steady, you know, growth in top line and profitability in spite of, you know, a lot of, I would say unusual movements in copper price, even in the fluctuations in, you know, FX Rupee dollar, you know, in between went up very high now it seems to be receeding somewhat. So we are able to kind of, you know, tide over these fluctuations in a much stronger, much more robust manner than what

we used to earlier. There is an increase in inventory, right? And I thought some of you might be concerned to see that, you know, inventory has gone up. There are two or three, I would say reasons why inventory has short up to the extent that it has. Primarily I would say the rate increases if you see year on year. The rate at which we are carrying that inventory has significantly gone up because of, you know, copper prices shooting up. So year on year you can see there's a huge increase possibly to the tune of 50 % plus that you will see, you know, in the brass that we're holding. 2nd reason is that, you know, there was some extent of, I would say compression. You know during Q1 we had the impact of the grand war and a lot of our shipments which were scheduled to arrive in Q1 actually arrived in Q2. There were a lot of, you know, shipment delays. So a little bit of I would say inventory accumulation did occur in Q2. I'd like to assure everybody, this is nothing to be very concerned about. Yes, it it could have been managed in a little better way, NO doubt about it. And I think we are all introspecting the company how we could have managed that better. But going into Q3, we are very confident that we will be able to normalize inventory by the end of December back to a more, I would say, acceptable level and a more proportionately to the size of the business that we're operating. So that's something that, you know, we are fairly confident we should be able to execute in Q3, right? Another point maybe that I'd like to highlight here is that, you know, internal cost reduction initiatives that we've been working on over the last maybe two quarters is also something that, you know, we were able to implement, fairly well in Q2 and we will see that going into Q3 Q4 as well, right? So if you look at the year on year growth, if you look at Q2, automotive, which is basically the standalone business, we are up about 52 % in terms of sales, right? 36 % of that actually came from automotive and climate control 77 % from metals. Do keep in mind in metals, the actual volume growth, why is about 20 to 22 %, right? So the 77 % that you see is, you know, 22 % volume growth plus maybe 55 % of value growth because of, you know, commodities going up. So really, we are more interested

frankly, internally in the company in volume growth, right? Commodity linked growth is not, not really growth at all if you ask me. It's just a number that we have to deal with when copper goes up. H one. So I would say overall if you look at the 1st two quarters after the year, 45 %, so, ok, I I would say the numbers do look quite attractive when you look at it from the surface, but do keep in mind there is a commodity component to this, right? So I think it's very important for us both internally and as well as in the let's say shareholder community, not to get too carried away by those, by those big numbers because there is a commodity element in that, right? So I'll I'll have to be very candid and say that let's look at the real volume growth. That is what is going to sustain us over a long period of time commodities can always change. There can be a drop, you can they can be even a crash, you know, so that's something that, you know, we should be keenly aware of. If you look at our profitability also, I think this is where we really come into our own. I think, like I said, the hedge between the commodity businesses and the component businesses is giving us those. Kind of steady improvements in in profitability. And I think there's a lot more to be done going forward. I'll talk a little bit about that later on. Just going through the Q2 standalone, this is automotive plus climate control. This is without the metals subsidiary. So.If you look at the quarter, we did about hundred and 100000000 of sales, this or hundred and eleven let's say, this hundred and eleven is netted off of the scrap sales that earlier in the earlier accounting methodology, we used to add the scrap sales as well. So when you compare with FI 26, right? It's not really a like to like comparison. The real growth is more than that but a hundred and 10.7 is what we ended the quarter with. And if you look at the flow through margin, you can clearly see that the material cost control has been fairly robust through the quarter. Last year we were at about 72 % material cost. This year, you know, in Q2 we are at about 63.2. So I would say it's a fairly, that's, you know, ten percentage points. So that's I would say a fairly good, improvement year on year. And that's how you see, you know, the ebitda flowing down. Going up from

about, 6.3 crores of last year to about nine and a half crores this year. Potentially we could have done better. I think we had a little bit of a challenge towards the end of the quarter with some of our customers delaying taking delivery of goods or frankly reasons a little bit beyond our control. So, this number that could have been slightly better perhaps, of course we are not losing anything. Whatever was undelivered in Q2 will get delivered in Q3. So we will see a little bit of, you know, profit transfer happening from Q2 to Q3 here. It's been perhaps a little more than what we would have liked. But anyway, it is what it is.

Aditya M Gokarn

Let's see overall the the standalone business is performing fairly well. We are seeing good I would say product mix, we are seeing good control in material cost. There's also, like I said cost reduction initiatives running in the company, and so, you know, we are really intent on pushing that up from the current level of about eight and a half percent, well into the double digits, right? So that effort remains on. You can see that, you know, year on year, if I compare Q2 last year and this year, we've moved up about 260 bits on our beta, and we going forward, we would like to further consolidate that and push that above into into into the upper let's say single digits or, you know, into double digits as quickly as we can. That's something that we are working on. Looking at the half year, again, I would say a decent performance, all factors considered because when you look at the half year, you have to account for, you know, the challenges that we face during the Q1 with you know the war breaking out and you know, shipping cost going very high we had a lot of challenges, I think with the fuel costs going up, consumables, raw materials, everything went, you know, up very, very steeply, very suddenly, and we had very little control over it. So all factors considered, if you look at H one this year, we're at about close to 220 crores in sales and you can see steady improvement. Last year, the previous year we were to about twelve cross, we're at about 17 and a half now. So I would say a decent improvement. There's a lot more to be done, right?

It's not that we're going to sit happy with this number of 8 %. I think our effort is always going to be to push into 10 % and above. And I frankly think it's it's it's quite quite possible to do, right? We just have to keep moving the product mix in the right direction, and keep our, you know, focus and discipline on cost and keep keep pushing the sales up. So hopefully we should, we should see a much better situation going forward net profit wise of course we had the merger benefit of about 5.1 70000000 coming in and therefore you see a big jump in in Pat, right? Keep in mind that that does contain a 50000000 tax sheet, which is kind of a one off item, right? That's not something that we will see repeatedly going forward. But yeah, I think this year has been it's been a long time coming, the NCLT approval took a long time unfortunately of the merger, but finally it's through and this is the year in which we're seeing this tax shield coming into play. Looking at the group console again, I would say this is the quarter alone, so. So yeah, we did 200 crores. Happy that we touched that 200 number but again let's keep in mind that there's a commodity element to this, right? So this 200 can very quickly go down if copper significantly falls, there can be, you know, optical reduction in in in revenue. So while we are happy with this 200 number, I think we we should only take comfort from the, the volume growth, right? That, that we're actually driving. So Q2, if you look at volume growth, like I said, 20 % plus, I think it's something that we are happy with. We could have done maybe a little bit better as well. But fair enough, I will I'll I'll kind of not, I I'll take it for now in in Q2 wise, of course, you know, because there is a commodity element in the in the top line when you take the ratios percentages, you know, it looks optically like a smaller number here. So beta is about 7.2 %, but if you look at the evolution of our ebitda over the last, I would say six, seven quarters, I'd encourage you to see that six seven quarter perspective. I would say we have been doing steady, right? We've been growing every quarter through all the seasonality, through all the UPS and downs. I think we have been, we've been building that hibitor number quite steadily. So I do expect that going forward, we would like to sustain and further

enhance the hibitor from where where it is today in absolute terms, we're about 14 and a half growth. So we'd love for that number to stay well above that 15 core number quarter by quarter as we go forward. Yeah, I mean again here Pat is about six core on on a group console basis. Again, I think we could have done something better. On the sequential basis, it looks smaller because, you know, the tax credit actually was accounted in the Q1. So I, I would be more, I would say focused on our PBT right now where you know we've evolved from let's say last year's three quares to about seven and a half crores. Again, like I said, the opportunity here potentially we could have done a lot more, maybe a crowd and a half more, if you had performed slightly better both in the metals vertical and automotive if you had got some of our, you know, products do delivered maybe earlier to customers. We could have accounted a better number, but fair enough, I think some of that will flow into Q3 half year at the group console level, we're at about 380 60000000 in in top line. Yeah, I I would say fairly decent number considering our internal targets. Internally we were aiming for about 400, but yeah, of course we had our challenges during the Q1 where, you know, many things went out of our control quite suddenly, but all all factors considered I would say just about 6.9 to 7 %, we're at about close to 270000000 of a beta a fair improvement I would say over the previous years close to 18 crowds, so I would say we've added about 90000000 of Ebita over last year in the 1st half. We would like this momentum to continue obviously. Of course we don't know what challenges await us in Q3 Q4, but, I think this is something that, you know, we'd like to build on going forward. Balance sheet wise. I would say the only maybe number that perhaps I need to talk about a little bit is the inventory and since I've already spoken about it, I think that's something that we are quite confident of pulling back into a December quarter. So I think we should be able to moderate it down. I think our internal target is we need to bring down inventory by about 2020 50000000. I think all our the colleagues and team members are working hard to bring that down. So all efforts are on, so I think we should be able to see day lighter number at the end of December.

Ash flow wise yes, I think a lot of our profits have now gone into our inventory, right? As of 30 September. But of, of course, as we all know, this is like a snapshot on one particular day and things have already started improving. If I see our inventory, we have already started de leveraging a lot of it. So like I said, by December. We should see a much, much better inventory. One point I'd like to highlight here is that, you know, the inventory that we're holding is primarily raw material and undelivered sales, right? From, from September. So these are things which are relatively easy to manage and the inventory raw material inventory that we're actually holding, it's at a fairly favorable rate.

Right? It's been contracted at a fairly favorable rate. So I think going into Q3, it helps us to scale up the climate tech vertical where we need to build stock for the season. So I think we are well positioned to execute sales wise in terms of the climate control vertical because of the inventory that we are holding, right? So the there's a bit of a, I would say deterioration in terms of let's say the inventory payable receivable cash conversion cycle. We should be able to correct that going into Q3 and Q4 as well. So again, I would say, operationally, a little bit challenging, but nothing that, you know, we should be too much too worried about. If you look at our annual. We are still improving, I would say about one 70 bits up from the March quarter and if if things go well for us in Q3 and Q4, our internal target is to push that up to about 14 to 15 % by the end of Q4. That's something that we are aiming to do, but of course the. Lot of unknowns, so we we're trying our best to do that. Liquidity wise I'd say currently issue we're ok. Dead serviceability you can see we are now at about 2.36 times. And if you look at two better slightly gone up because of the inventory, I think that's something that we correct, we will correct going forward into Q3 and Q4. Quick few comments on the on the future outlook before I move into the Q and A two plus files, we continue to see strong demand across all the channels. We have three channels primarily OEM after market and export. All three channels, I would say sales continue to see strong

momentum large TPMS al programs, these will be getting launched in Q1 FI 28, right? So till such time, we will not see significant revenue flowing in there. Once those revenues start coming into the system, you will see further improvement of the product mix and therefore the ebitda. right, there's also some new programs that we are working on on the automotive climate control vertical. Some of that will get launched in Q4. That's the Jan to March quarter. And we, we believe those will also be a bit creative for us as a group. Order book for climate control vertical looks healthy in Q3 in like I said, the entire a Quarter of Q2, we saw sales of about two and a half cores. The Q3 outlook so far appears to be in the range of about eight to 100000000 of, order book that we are seeing for, for Q3, so significant improvement over Q2 we're expecting, and then we're also, you know, closely in touch with. Government of India to, you know, create a level playing field between us and the Chinese players who are, you know, dumping goods in this country. So we are also hopeful of some, you know, positive news and positive developments in terms of government policy to support Maker India and to, you know, prevent dumping of these parts, which is happening very incre indiscriminately right now. In the Indian market. EV component business also is showing a lot of promise. There are new platforms that we are working with either with river mobility, simple energy and so on. And all these, I would say critical customers, even some of our battery customers, they are planning large scale UPS starting from, I would say Q4 the. Current financial year. So we're really well positioned to kind of, you know, encache those opportunities. There is a lot of promise coming in from the EV segment as well. And I think the EV segment has also written over these, you know, supply chain constraints of, you know, battery materials and all that. We are quite optimistic that all the large players in India are actually well positioned. I don't see any major challenges for them to get their supplies, you know, which is crucial for them to scale up. I think they are quite well funded and I think that their supply chains are, you know, well stopped. So I think we should see good traction in EV components also

going forward. Metals vertical is also showing a lot of promise in the new allies that we are developing. I think we've already now started to work on some writing instrument, alloys, alloys for, you know, medical equipment and defense, and we are seeing a lot of inquiries, a lot of traction. These are going to be, you know, high value adding alloys, right? So the profit margins on these alloys are going to be much, much higher than what we are currently doing. So yeah, there's a lot of promise there, a lot of, let's say potential that we are yet to monetize and we expect to monetize that through, you know, Q3 Q4 and going into Q1 next year as well. Focus on operating margin improvement, of course continues cost optimization efforts are continuing and we also expect to push in a lot of CapEx now into the automotive and the metals vertical to widen the product range and increase our production capacities going forward, right, so with that, I I think I'll I'll we'll move to the Q and A session and you know, we'll we'll take a few questions, so yeah, anybody would like to ask a question, please identify yourself and please feel free to shoot. Thanks. Oh yeah. So, do we have any questions we can.

Bibhuti Bhusan Mishra

So thank you Mr Aditya. for the presentation. Please note that now the floor is open for Q and A section for a span of 30 to 45 min all are requested to kindly unmute and show your video and make sure your name and organization before asking the questions. You may also write your question in the message box in the right side. The company reserves the right to limit the number of questions based on the time availability. However, investors can ask subject to maximum two questions. So with this note I handed the to ask your questions, please. So let's take the 1st question from Mr Mulesh Savla, please unmute and ask the question.

MULESH SAVLA

an you hear me now?

Aditya M Gokarn

Mr. Muledsh, just a moment. I think we are having a small audio issue, we're just trying to, we can hear you but at a very low volume just Yes yes yes Mr., if you can please go ahead with your question. Yeah.

MULESH SAVLA

Thanks for taking my question and wish you hardtiest congratulations for excellent numbers. There are small small couple of questions. 1st you said that some delivery could not be picked up by the customers. So maybe NO ten rough amount of that shift, maybe around 14 150000000 or it could be.

Aditya M Gokarn

In in the range of eight to ten crows, I would say eight.

MULESH SAVLA

Eight to ten. Eight to ten.

Aditya M Gokarn

Which will flow into Q3 basically.

MULESH SAVLA

Okay, correct. And may I have the bifurcation of our revenues into export and domestic sets?

Aditya M Gokarn

Yeah, export I would say for the quarter is roughly about 5 %.

Aditya M Gokarn

Yeah, rest would be the rest.

MULESH SAVLA

And what are our plans to, you know, improve on exports going forward?

Aditya M Gokarn

Yeah, great question. I think we have a lot of potential because, you, you probably would have seen from some of our social media handles on LinkedIn and so on. We have been making over the last, I would say two to three years a big push into the export market both in Europe and the United States and happy to say that, you know, we have a lot of, lot of potential. The China plus one, I would say mindset is still there.

Aditya M Gokarn

In the market. Correct. A little bit of setback happened because of, you know, the tariff situation and you know, like I said, more than the tariff per se I think tariff, everybody's, you know, got used to it. I think it's something we all have to live with. It's the unpredictability, you know, so the buyers tend to kind of, you know, sit on decisions rather than pressing the button, they say, Okay let's wait. Okay, keep it.

Aditya M Gokarn

Everything ready, let's see next quarter, let's see, you know, that's where we took a little bit of a backseat. I think this quarter as well, we saw a lot of that, you know, changing favorably and positively for us, right? We have some very good I would say after market customers for the automotive in North America. We are developing some new I would say distributors now in the European region. And there's a lot of, I would say interest also because, you know, there is a free trade agreement in the pipeline.

MULESH SAVLA

Which hopefully should be operationalized by.

Aditya M Gokarn

Maybe Q4 this financial year. So there is a lot of interest to source from India to a little bit decoupled from China. So I would say that but see export is a long game, right? You need to do a lot of, you know, marketing effort in the beginning, established relationships, start small, and then

slowly slowly build up and scale up. So I would say that this is a game that, you know, for us to become a significant significant player in the US and Europe, it will take another maybe one to.

Aditya M Gokarn

Two years of effort, but I would say that we are very optimistic because, you know, we have received very, very good feedback on the products that we have already pushed into the market. I'll give you example of bosch, right? Bosch, we started with a very small program for DPMS files. Today they have shared a, you know, forecast up to I think, 2031.

MULESH SAVLA

With us. Okay. They've extended the you know life of the prob.

Aditya M Gokarn

Time and you know they're asking us like huge increase in volumes, they're possibly at two to three X of what they originally forecasted for us.

Aditya M Gokarn

Right, and these are, I would say products which have a much better margin profile than our, you know, older product lines which are, you know, 3040 years old. So the newer product lines obviously have a better margin profile and you know the quality of account, when you look at bosch, you look at amoviele, we look at Sensata, right? The quality of these accounts are, are good because, you know, these are the global top players in the TPMS world and we are jumping on you know new programs with them. So I think as these programs mature, you will see the export profile going from five to possibly 10-15-20 % over the next, I would say a few years, maybe two to three years, we could push that to a significant number.

MULESH SAVLA

Good sir, so that's really heartening to not. And sir, are we supposed to develop the dedicated

tailor made pro products for them or, the, products which we are making are so.

Aditya M Gokarn

Yeah, great question. See, in, in the TPMS programs, typically these are tailor made, right? These are customized products which, you know, match their sensor profile which are made, you know, matches their specific product. In the aftermarket, there are also certain standard products. So I'll say it'll be a mix about I would say 60 to 70 % would be custom made.Right to the specifications of the customer. The remaining would be, sort of, you know, our general stock specifications which we can, you know, send or let's say standard part number. So it would be a mix of, yeah. Okay.

MULESH SAVLA

And do we expect any major CapEx in the remaining part of the year or by and large we don't need much CapEx?

Aditya M Gokarn

No, we will need, we will need some more CapEx going through. I think nothing, nothing too big in the remaining let's say four months that we have four, four and a half months, but there's a lot of equipment that we place orders for in Q1 where you know the the balanced payments will be going through in in let's say Q3 Q4. So on the automotive side, I would say we're looking at a CapEx of about six 70000000 in the remaining part of this year. And maybe another two to three crowds on the metal side as well because you know we need to add certain equipment to do some of the special laws that we are you know working on. So I'd say possibly another ten crowd would go in in the remaining four and a half months. Yes.

MULESH SAVLA

Good sir. So thank you so much for answering all my questions but as you will say understand that our deal mange more, you said that margin you are trying to improve, but I think in the situation

where we are placed now and with your efforts, I'm sure we will see this improved margin in time being.

Aditya M Gokarn

Thank you. Thank you so much all the very best. Oh, thank you. Thank you. Thank you for confidence in the company and yeah, thanks for the kind words. Yeah, there is a lot of I I would say effort on the margin. I think the the directors are also are very, very keen that we should move the margins with the margins to double digits. It's, it's going to be a journey, right? And there's going to be some UPS and downs. But yeah, we'll get there. I'm very.

MULESH SAVLA

Eventually we'll get there. Oh, absolutely absolute.

Aditya M Gokarn

We are heading in the right direction, correct. There might be some hiccups here overall we we are in the right direction.

MULESH SAVLA

All the very best. Thank you sir. Thank you, sir. Thank you.

Aditya M Gokarn

So I shared some question in the chat box, ok? I request you to please So I think you need the question I'll yeah I'll yeah.

Bibhuti Bhusan Mishra (Digant Bamb Chat box Questions)

So 1st questions of two hundreds are almost as much as a quarter of revenue. Yep. Why such high inventories? Do we see significantly higher sales booked in Q3? Yeah,

Aditya M Gokarn

so I think I've already answered that. I think there was a little bit of, I would say bunching up of inventory. Is from Q1, you know, flowing into into Q2 because of the shipment delays and so on that, you know, we saw in Q1. This will, this will, this will moderate significantly, right? So I'd say that whatever inventory we are holding, this is not going to be a threat for us. I think that's something I can assure everybody. Significantly. Higher sales yes, of course in climate control, we will see like significantly higher sales in in Q3 than Q2. Automotive typically there is a seasonality. I would say automotive industry little bit slows down Q3 is typically a softer quarter. So we will see a little bit of softening in terms of automotive business during Q3, this is normal. But whatever inventory we are holding, right, this will, this will actually come to our help because this inventory is being held at, you know, older older rates, right? This is inventory which was contracted a long time ago when, you know, copper was at a much more favorable rate. So this is something that will help us. But having said that yes, it could have been better managed, for sure we could have, you know, maybe tightened our belts a little bit more, but, we were seeing, you know, and we continue to see a lot of volume growth, right? We are seeing like, you know, 25 30 % volume growth in some segments. If you look at our EV segment, we are seeing, you know, growth of like hundred. hundred percent over the last year, right? So we believe that it's a better situation to have inventory so that we can execute sales rather than to be too thin and you know suffer sales loss. So I think that's a little bit of a judgment call that we took. Maybe it went a little bit beyond what we should have you know done, but fair enough, I think these. There are you know the UPS and downs that we normally see in these kind of, you know, volatile environments, it's something that will moderate. So I would say, don't be too worried about it. It's something that will fall into place by the end of December and going into March, we'll definitely see further, you know, optimization of inventory.

Bibhuti Bhusan Mishra (Digant Bamb Chat box Questions)

2nd question is falling RM prices from October onwards, would that be a modeling maintaining our margins due to such high level of inventory? Have there been sales booked at higher prices for which the RM was purchased?

Aditya M Gokarn

Yes yes, absolutely. So I'll put it like this. Great question. Has been falling somewhat from let's say more than October I'd say from from November we were seeing a little bit of drop in copper prices and so on. But I can assure you our pricing is locked in with customers until December end, right? So any drop in price in in copper prices during let's say say October, November December, this will only have to be passed on to customers from January, right? Because we do three month indexation, right? So I would say in terms of the fall in our prices, there will be NO impact as far as Q3 is concerned. In fact, the inventory, like I said, is actually going to help us, right? So I don't think there will be any impact of, you know, the high. Inventory becoming an obstacle for us in in Q3.

Bibhuti Bhusan Mishra:

Mr Naresh would you like to add anything?

Naresh Varadarajan

Yeah, so out of the inventory increase, 33 increases itself is converting brass crap into into the it's a it's a requirement that when we want to see now future deck is growing and in order to cover it for 200 months anyway required. So we're not justifying that everything is only because of plan 10 % increase was the commodity increase between the average March and average September so that is economic which will be passed onto customer. But the significant increase is also because of future tech which we plan to scale up and only when you have inventory you can take advantage of spot calls and then where we can like the gross margins improving quarter to quarter because of inventory being in hand if you want to contract with customer and then planned buying in

all probably would have missed the bus. So it's a step in the right direction. 10 % would be because of the commodity, maybe ten to 20 % would have been the inventory in transit because of what came under September end, so nothing was unplanned planned, everything was with regard to only the sales are going to happen in Q3 and Q4.

Bibhuti Bhusan Mishra: (Digant Bamb Chat box Questions)

Okay, so is going forward to 3rd question, borrowings have significantly gone up. Was this due to higher inventory purchases? Where do we see the debt level going ahead?

Aditya M Gokarn

Yeah, see, borrowings obviously a large proportion of the borrowings that we have are working capital, which is basically, you know, commodity increases have to be funded. So let's look at it like this. If last year we were buying, let's say copper for our brass mill, we were buying copper at it, let's say seven 200 piece of kilo. At the moment we are having to buy it at whatever thousand 300400 to piece of kilo. So, of course, you know, that needs to be funded and we have, you know, increased our, let's say bank limits and so on to kind of, you know, keep in step with the commodity price increase, so I'd say commodities have. Played a significant role in the borrowings going up, right? That is the single biggest I would say cause, right? And, like I said, it, it will moderate out, it will average down as we go forward into Q3 and Q4. And NO, I I would say higher inventory. Yeah, of course, that's also, like I said 8810. In course of, you know, sales reversal. We had a lot of, you know, inventory arriving early, right? Whatever we would have normally taken through, let's say Q3, we are we little bit came into Q2 and this is just like the pile up of Q1 coming into Q2 and you know? So we had a little bit of this, I would say abnormalities. This will, this will moderate down. I think it's nothing to really be so concerned about, I can assure you on that.

Bibhuti Bhusan Mishra: (Digant Bamb Chat box Questions)

Let's move to the next questions at 78 %, where do you see this going at? I think I've answered it broadly. Are we happy with seven 8 %? Definitely not. Do we aim to going into double digits? Yes, for sure. How are we doing it? Like I said, I think we are constantly optimizing the product mix in all the verticals, whether it's climate control, whether it's automotive, whether it's metals, always looking at doing more value added products, right? And moving the mix favorably in favor of the value added products. So future tech yes, of course, it's a commodity business, so margins are going to be a bitter margins in any commodity business will be lower than, let's say a component business. So for sure, this is something that we. Already know, but I'd also encourage you Mr. to also see that you look at our time absolute terms, how it has kind of shaped up over the last maybe six to eight quarters, right? What you can take away from that is you can see that while the commodity business does have a lower profile overall, right? It is adding tremendous value to us when you to see it together with the component business. You know that internal hedge that I've talked about, right? The gains from that are actually far higher than, you know, just looking at, you know, as a, as a, as a percentage. So if you look at it or let's say maybe seven to eight quarters, our beta is moved from, you know average of let's say, seven 80000000 a quarter to about 14 and a half crores this quarter. So this is with all the volatility built in the mind you, like climate control is still not scaled up, and we've had huge volatility in in copper, in FX, shipping problems. We had we've had all these issues, right? Over the last six months. So we've managed to keep things steady through all of that and it's only because structurally, you know, future tech, the metals business and the and the commodity businesses, they hedge it each other, right? It's not some, you know, fluke or miracle that we have pulled off. It's just the structuring of these two businesses being what, what they are. This is the result that you will. You'll see. So it's a structural improvement and and I think that's what we should take comfort from that. You know, we have structurally set right the the whole business

model for the company after we set up the brassment. So the when the brassment was not there is something we simply could not have done, right? We're only able to do this because the brass will exist. So even though it has a lower margin profile, it has, it has, you know, strategic value addition for us and see the decoupling. Now, if you look at our dependency on copper zink, brass, all the alloys that we're developing, right? We have very, very less dependency on the outside world. I mean, we are not dependent on China anymore. We are not dependent on Southeast Asia anymore. So it is not possible for the raw material suppliers to arm twisters and brow beaters like the way that they used to before future tech was set up, right? So there are long term implications, there are strategic implications here. Now, like I said, you know, apart from catering to our internal requirement within the group, we are developing so many new alloys for the external market, for defense, for, you know, writing instrument industry, for, you know, automotive industry. So. Going forward, you will see margin profile improving. Let me assure you, it's going to take a little bit of time because, you know, this is a brass mill, it takes time to, you know, develop new alloys, prove them, put them in the market. There's a, there's a process involved, but once we get there, and you can already see, right, over the last few quarters how that profile has improved, you will continue to see good things happening there.

Aditya M Gokarn.

Number five was answered Climate control, when do we see us making profits? Frankly, yeah, this is a, this is a bit of a question mark. I'll put it like this. Product wise we are ready. Capacity wise, we are ready. Frankly, we do require a little bit of support from government of India to. Stop this indiscriminate dumping that is happening from China. I've been very vocal about it. I've been, you know, writing letters to commerce ministry, to commerce minister, to DPIAT. I've been sending representations. I've been putting a lot of effort because see ultimately the government's plan was make in India, they launched a pla's. Team, we

signed up for it. We identified the opportunity today the opportunity for just service valves, one product line alone in India is upwards of thousand crores, right? That is the market opportunity. So in terms of identifying the opportunity, in terms of developing the product, in terms of putting that, you know, putting the, the, the setup, the factory, the, you know, the equipment, we've put a world class, you know, plant in in in place in India. In spite of all this, unfortunately, you know, Chinese dumping continues. Is there is going to be a stop somewhere, right? To the Chinese dumping. So I'll put it like this. The day we start averaging about five, 60000000 of sales per month in climatech. We will see climatech turning positive. When Chinese dumping, even if it doesn't stop, even if it is reduced to the extent of even 20 30 %, we will see climatech as a dark horse, you know, it can add tremendous value to us because you know the unit selling price of these parts is quite high. We are vertically integrated as a brassment, so you know the major raw material for making these parts is. For us, we are producing it internally. Our engineering team has done a fantastic job of product development of, you know, proving out. Today, you know, we are globally approved for Panasonic during the quarter. That's another update that I'd like to share. I think we've, we've got through with Panasonic now. So you know, this is it this is a little bit of a waiting game on. Fortunately, it's something that should not have happened. We should have by now turned this whole thing around. But yes, unfortunately the market has been a bit unfavorable to us because of the dumping. But the good news I'll tell you, I think the order booked for the month of November alone is exceeding five cores already for climate time. Right? For the month of October I think we we crossed about two, two and a half crores in sales in climate last month. This month we have order booked for 50000000. Even this momentum if it continues, we should be able to turn things around this financial year itself, right? We should be able to come out of the red in climate, right? But of course this momentum we. Is to continue. Let's see how it goes. You last part you said automotive vision margins are improving while revenue has not grown much.

Well, I think optically it looks like that because, you know, last year we had, you know, scrap sales included in the, in the top line. This year we have not, you know, we've netted that off. So perhaps that's where you look at it, but in absolute volume terms, all the major product lines are growing. We had 30 % plus in volume terms, right? And like I said Eev products are going at a hundred percent, right? So these margins are sustainable for sure. In fact, we, you know, we are pushing for margin, you know, improvement, right? How is that going to happen with the launch of TPMS, you know, new programs, you will see margin improve. With EV, you know, product line going further, you know, stronger next year with all the EV companies scaling up, we will see further margin improvement. With our line, you know, getting more into the export market, you will see some, you know, further margin improvements. So I would say that margins in automotive, we are quite optimistic. We have a lot of promise, we have a lot of potential. We'll have to execute it over the next, I would say a few quarters, and that's something we are quite confident of doing at this moment in time. I'll take one more question, then we'll move on. I don't want only one person's questions to dominate we asked. Cafe norms will act as a catalyst for TPMS? Absolutely, yes. Absolutely yes and this is where we are seeing traction. I can tell you that we have already received we put it in the public domain. We've already received two letters of intent from omoviele, one from. We are also working on a few more programs in the pipeline. Hopefully, you know, we should be able to make some, you know, nice announcements over the next maybe few weeks and months maybe. There's a lot more in the pipeline as far as TPMS is concerned and we are working on it. Cafe norms definitely are going to be a positive for us.

Aditya M Gokarn

Okay, mr. Ori you had a question or maybe if if you're there mr. Ori, feel free to unmute and go ahead with the question, please.

Rohit Ohri

Audible, can you hear me?

Aditya M Gokarn

Yeah, yeah, we can hear you. Yeah yes.

Rohit Ohri

Four questions, 1st one on the and is it possible to share the breakup of the order value between the two on quarterly basis and what sort of approximated margins should we add going forward?

Aditya M Gokarn

See, look, typically, the whatever disclosure we've made, with regard to these two programs, I think it's already in the public domain, so I'd encourage you to take a look at those numbers. Quarter wise, I definitely would not like to, you know, kind of commit on any number like that because see, these are also customers. They also have their customers and. How their offtake is going to start and how it's going to shape up. It's, it's, it's too early for us to comment on that. And in terms of the margin profile, see, I don't like to look at margin profile with regard to a specific customer and you know say ok this customer, this product, this beta, that's not the way we look at it. We basically look at, ok, how do we move the margin profile upwards? At an aggregate level, right? So I'll I'll put it like this. As a thumb rule, you can think of it like this. The average value addition that you will see on a TPMS program would be about ten percentage points higher than the, the standard let's say tubless kind of program, right? So these would typically Will be at a higher, let's say a better profile, but it varies product to product, right? And there are, there are clamping bulbs, there are snapping bulbs. Somebody has, you know, very customized kind of a product. It could be something different there. But as a thumb rule, maybe you can, you can think of it like this. It's about 10 % would be something that you would see and as those numbers grow and you can see the market, like I said, I always say this on all the calls.

Tube is becoming tubeless. Tubeless is becoming TPMS, right? That's the kind of technology evolution that we are seeing now. And as we move into the future and we see more and more tubeless coming and substituting the older products, that will be very favorable for our margin profile that I, that I can say with a lot of confidence.

Rohit Ohri

These are orders these are intended for the exports business only or are we going to serve them in puneet.

Aditya M Gokarn

Yeah, so basically, all these programs Sensata movie or Bosch, these are all global programs, right? At this moment in time, the customer will not exactly tell us in detail where those parts are going to start, where they're going to flow, because see their approvals are global. The entire program is global in every sense, like once the part is supplied to them, it can. Then it can go anywhere. So, with Sensata I'll put it like this. Yeah it's rue that they're putting up a plant in India now they're doing a sensor assembly. I believe it's going to be in Chennai, not actually in Puneen. But of course these are very early, you know, indicators that we have received. Once they assemble the sensor together, wherever they do it, whether it is in Chennai and Puneeba, whatever. Or they, wherever they go, it will then it will be supplied globally, you know, it's I think they have their own internal methodology of allocating, you know, supplies to various customers depending on, you know, what works favorably for them and so on. So at this point of time, too early to comment.

Rohit Ohri

Because the portfolio, they, they have quite a lot of other products like imagine monitoring or maybe pressure centers and some works related to AC pressure or temperature sensors. So are you in conversation with them? Do you see this as opportunity? Are there any cold calls or hot calls already existing with them that are going forward

in maybe next two years or so, there can be something that can be added to us?

Aditya M Gokarn

Yeah. So, so see, again, I don't want to comment, you know, customer to customer, but I can tell you that with all the TPMS customers, right? Our 1st goal is to kind of establish ourselves very firmly as a dependable supplier for valves related to TPMS. Some of them have started rolling out some additional rfqs to us for components other than, you know, let's say valves for TPMS, and here we are looking at those opportunities as well. But ultimately, you know, I'll say that our primary interest is to push into the TPMS domain and. Establish ourselves, like I said, as a very dependable global supplier for that. And I think we are well well on the way in terms of establishing that. All other opportunities we look at it, you know, as maybe something add on, but that's not something that, you know, that's not our main strategic goal, right? My goal should be to become the biggest supplier of ours to Sensata movie or bosch. Whoever, you know, who are the, whoever are the largest players in the sensor market, our job is to become the critical supplier and become, you know, a dependable supplier for all of them, right? Anything else that they give us, I would say it's like, you know, it's a side dish for us.

Rohit Ohri

Two two makes sense, but then you also mentioned about Panasonic if you can just take us through that, what sort of opportunities are there and is this a new account or any numbers or anything on the margins or other book that you see?

Aditya M Gokarn

Yeah, see Panasonic of course, you know, they're, they're buying now service values from us for their, you know, air conditional line currently which is being produced India. But again, it's a global approval. See the way a lot of these companies work is that once a vendor is registered

in their system, you know, the part number is, you know, approved, the price is already inputted into the system. You could get a requirement from any Panasonic plant anywhere in the world, right? Okay. It could come from Panasonic Europe, it could come from Panasonic in Southeast asia. It could come from Japan right. Because the part is globally like the the system is common irrespective of, you know, which country, you know, is going to pick those parts. So at the moment, the India plant is, you know, placing orders right now, but in future it could be any other plant, right? So that's how it works.

Rohit Ohri

Okay, ok, thank you for answering my questions all the very best for the features, thanks.

Aditya M Gokarn

Thank you. Thank you so much miss ori thank you. Let's move on to a question by mr. Mahesh. What is the current percentage penetration of TPMS in India? I would say the percentage to the penetration to my understanding today is fairly small, I would say maybe 10 %. Two to three years, I think it could go up to like 5060 70 % because like I think you rightly pointed out, and that's a very important I would say thing to point out thanks to you for, you know, pro pointing this out. Cafe three is actually going to speed up and catalyze adoption of TPMS across, you know, different oemiss across different models. So yeah, I think we we have a huge future in TPMS, and I can tell you that our, our product lineup and, you know, the kind of approvals that we have in place, we will possibly be able to dominate that market, even more than, you know, in terms of market share, you know, share of business. I think we will be able to dominate even more than what we've been doing in the regular snap in valves or the tube type. So you'll be able to have a stronger, you know, presence because, you know, these are little difficult products to engineer and you know, the customers it's you know the entry barrier is high. So once somebody gets in, you are able to stay in there for a fairly long time. So yeah, I think this is going to be very favorable for us. I'm

very happy that, you know, caffee's. Is catalyzing the adoption of TPMs. I think speeds in India are going up. People are driving faster and faster on highways. A lot of highway developments have happened very, you know, good for India and this is a safety and let's say environment requirement it should come in fast because, you know, I think Indian customer deserves to have a safer vehicle with, you know. Pressure monitoring as a very essential feature so that they're always safe when they're driving at higher speeds on highways it's it becomes more and more critical, so it's a good thing for us, yeah. Right, any other questions anybody would like to ask?

Aditya M Gokarn

Okay, I think if you if you don't have any more questions, I think we'll close here. It's exactly 05:00. So once again, thanks to all those who logged into the call today, thank you for taking the time. Thank you for taking the interest in Triton I think I've got one messages just coming from mr. Diganth. Could you please share some more information on new program for automotive climate control? Yeah, ok. So basically, I don't know if I've talked about this before. We also make components for automotive air conditioning, so these are basically charging valve ports and valve cores. We have some new programs starting with with the hanon systems, which is basically Visteon, which used to be Visteon. I think our parts will be going into Hyundai KIA cars. We are now getting a lot of interest because you know we have developed the complete solution. We make the aluminum body. We also are offering the little plastic cap that goes on top and the core, right? So I think there's very few companies that can do all three, right? So I think some kind of packaged purchasing is what the customer is looking for and we are able to offer that kind of solution where we do the complete, you know, the complete solution. So we have started with Hanon, we also are working with the system supplier of Volkswagen, a company called Maflow, working closely with them as well. So these also, these are also products which will have a better, I would say margin profile compared to our older products.

I don't want to hazard in numbers at this time. I mean this is still in early days, but we'll, we'll certainly show you some data on this maybe in the future calls as this, gets launched. And so it's different from the kind of components that go into room air conditioners, right? So in the automotive industry, I think I'll aluminum is the preferred material of choice because it's lightweight, this is a mobile air conditioning application. Whereas in the room air condition application, these parts are typically made out of brass and copper, right? So that's the, I would say technical difference. So we've now we are now starting, you know, a lot of programs with aluminum as the raw material and this also gives us a little hedge with copper and brass because, you know, the nearest substitute to these materials is aluminum, so we are now developing some programs there so that in future, if there is a, let's say, preference for some of these parts moving into aluminum, we are fully prepared in terms of aluminum as well. So that's how we are looking right, so I think I think we'll close here if there are NO more questions. Like I said, thank you once again to each and every one of you for taking the time out on a busy Monday and joining the this call. Thank you for interest in the company, thanks for confidence. Thanks for all the, you know, very pertinent questions that all of you asked. And, yeah, I I think I think we have a good business and going forward, I I think we will see further, I would say traction in all the three verticals that we are operating in and yeah, hope hope to, you know, add, more value and unlock more value for all shareholders going forward, right? Thank you so much.

MULESH SAVLA

Thank you. Thank you and all the very best. Thank you. Thank you.