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Monday, 20th May 2024

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

Dear Sir,

Sub: Con-call Transcript

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we herewith submit the Transcript for the Con-call held on 16th May 2024 pertaining to Company’s audited financial results for the quarter and year ended 31st March 2024.

This is for your information and records.

Thanking you
Yours faithfully,
For Pricol Limited

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

Encl. As above

Pricol Limited
Q4 FY24 Earnings Conference Call
May 16, 2024

Moderator: Ladies and gentlemen, good day and welcome to the Q4 and FY2024 Conference Call of Pricol Limited. As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded. At this time, I would like to handover the conference over to Mrs. Purvangi Jain from Valorem Advisors. Thank you and over to you ma’am.

Purvangi Jain: Good evening everyone and a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent the Investor Relations of Pricol Limited. On behalf of the Company I would like to thank you all for participating in the Company's Earnings Call for the Fourth Quarter and Financial Year 2024.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's call may be forward looking in nature. Such forward looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's beliefs as well as assumptions made by and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward looking statements in making any investment decisions. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Let me now introduce you to the management participating with us in today's earnings call and hand it over to them for the opening remarks. We have with us Mr. Vikram Mohan, Managing Director; Mr. P.M. Ganesh, Chief Executive Officer and Executive Director; Mr. Siddharth Manoharan, Director of Strategy, and Mr. Priyadarsi Bastia, Chief Financial Officer. Without any further delay, I request Mr. Vikram Mohan to start with his opening remarks, followed by financial and operational highlights of the company. Thank you and over to you sir.

Vikram Mohan: Thank you, ma'am for the introduction. A very good evening to all of our esteemed shareholders who are participating in today's call. Welcome to the call for FY24 financial performance and also quarter four FY24 financial performance. I hope all of you had a chance to see the slides that have been uploaded, the data that's been uploaded. Our revenue from operations for this quarter on a consolidated basis has been 5,662.12 million, with an EBITDA of Rs. 725.84 million, resulting in an EBITDA margin of 12.82% with a profit after tax of Rs. 415.02 million, profit after tax margin of 7.33% with an EPS of Rs.3.41 per share.

For the year ended 31st March 2024, our financial performance on a consolidated basis, we have had a revenue from operations of Rs.22,081.69 million, with an EBITDA of Rs.2,786.42 million, EBITDA margin of 12.62%, PAT of Rs.1,406.12 million, with a PAT margin of 6.37% and an EPS of Rs.11.54 per share.

At a consolidated level, our long term borrowings are nil as of 31st March 2024 and at a consolidated level, our return on capital employed is steadily increasing and has hit a number of 23.18% in FY24 against 20.68% in FY23.

At a consolidated level for the quarter that has just gone past Q4 of FY24. Our revenues have grown at 11.09%, which has been lower than our expectations primarily because there have been delay in start of production from four of our customers. Though we have confirmed volumes and LOIs and capacities for the same, we have had delay in start of production because of initial vehicle trials and launch issues, which have since got launched and normal production has resumed from April. So this catch up will happen in the coming quarters. Our revenue from operations for the year have grown at around 16%. Slightly below our expected levels of about 19%, which also we hope to catch up in the coming quarters. This is primarily because of delay in start of production for certain confirmed businesses of ours from about four vehicle makers.

In quarter four, our EBITDA has grown on a like-to-like quarter comparison by 16.44%, which is in line with our expectations. And for the year, our EBITDA has grown by 18.17% over the prior period. As mentioned by me in previous calls, you would notice our EBITDA is steadily increasing, in spite of high freight costs and other aberrations that we saw this year, supply chain aberrations because of the volatile geopolitical situation across the world. I am quite hopeful that our CEO, and his team will ably be able to keep improving the EBITDA and level off at around 13.5% which is normalized EBITDA over the course of this year.

Next, please. This is the quarterly income statement, the highlights of which have been read out in the previous slides. All the capital market data and everything has been provided in the presentation. Without further ado, we would like to move straight to the questions.

Some housekeeping points for the question. I'm sure many of you would have multiple questions. But in the interest of giving everyone here an opportunity to ask their questions. May, I request the people to join the question queue, ask a particular question and if they have further questions to rejoin the question queue, so that everyone has a chance for questions, one at a time. Thank you very much for your cooperation in advance.

Moderator:

Thank you. Ladies and gentlemen, we will now begin with the question-and-answer session. The first question is from the line of Bhalchandra Shinde from Kotak Life. Please go ahead.

Bhalchandra Shinde:

Sir, regarding our new product development would like to know the update, especially on the E-Cockpit where are we and how do we see any advancement on that towards the customer, on which stage we are?

Vikram Mohan: Mr. Shinde thank you for the question. I'll probably break that up into three parts and further elaborate rather than only talk about E-Cockpit, which is a very advanced product. One of the products that was supposed to directly contribute to revenue in the coming two years is the Disc Brake which is a very strategic product of our ACFMS division. I'm happy to inform you that with six customers, we have started production and ramping up both capacities and increasing LOIs and we are on track to meet our schedules. On with regard to the E-Cockpit, I will request our Director of Strategy, Siddharth Manoharan to talk about it as well as the connected way to solutions to other strategic projects. Over to you Siddharth.

Siddharth Manoharan: Thank you. Good evening, Mr. Shinde. With regards to E-Cockpit, currently, as you know, we have developed the prototypes and proof of concepts, and currently, it is being showcased to various passenger vehicle as well as commercial vehicle customers. It is in concept stage and discussion with many of them are ongoing. We have also announced a partnership with a Chinese company called TYW for vertically integrating the screens and other components. So, at this point in time, we are well positioned to showcase these products with some of our customers and customers have also shown interest to take it to the next stages of discussions. So, as Managing Director rightly mentioned, this is a very advanced product and adoption will take some time in the market. And coming to the connected vehicle solutions, especially with our partnership with Sibros, we have showcased some of our proof of concepts to both domestic as well as international customers, and some testing are ongoing at this point in time with international two-wheeler OEMs as well, which has seen a very good response and in this coming year, you will see some updates and information flowing in from our end. Thank you.

Moderator: Thank you. The next question is from the line of Rishab Shah from RBSA Investment Managers. Please go ahead.

Rishab Shah: Sir would it be possible to share the percentage increase in blended ASP in FY24 over FY23. Since we don't share the blended ASP as such?

Vikram Mohan: Can you repeat yourself a little slower and louder please Mr. Shah.

Rishab Shah: Sure, sir. I am just asking you, is it possible to share the percentage increase in the blended average selling price for all the products of Pricol in FY24?

Vikram Mohan: That's a very, very, very difficult question to answer because we sell mechanical clusters which are slowly phasing out which is an average selling price for Rs.300. We are selling electromechanical clusters, which are slowly ramping up and have an average selling price of Rs.8800. We are selling low TFT clusters, which are selling at approx. Rs.1500, higher TFT clusters which are selling at Rs.8000. We are selling Disc Brakes to systems which are selling it around Rs.1150, were chain tensioners which are selling at Rs.75, we are selling complicated industrial oil pumps which are selling at around \$800. Now, it's impossible to blend all of these and give a blended selling price because we are not a commodity company and each of our products are so different in terms of functionality, systems and composition.

Moderator: Thank you. The next question is from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.

Vipul Kumar Shah: So my question is, can we break our turnover between our two main product verticals, driver information and connected vehicle solutions and actual control and fluid management systems. How much each vertical is contributing to the turnover?

Vikram Mohan: Good evening Mr. Shah, this year the turnover has been about 69% to the DICVS and about 31% to the ACFMS. In the coming year you will see the ACFMS contribution slightly increased to get to about 35%, 36% as the adoption of disc brake and production volumes of the same go up. Mr. Shah this year, it's about 69% of the contribution from our driver information and connected vehicle solutions division and from the actuators, controllers and the fluid management systems divisions is about 31%. Going forward, the ACFMS for the latter division will increase to about 35% next year, as the adoption and production volumes of the disc break will increase.

Moderator: Thank you. The next question is from the line of Nirav Seksaria from Living Root Analytics. Please go ahead.

Nirav Seksaria: I had a question for the management. So what initiatives are we taking to increase our market share in the passenger vehicle segment?

Vikram Mohan: We are not going to significantly increase our market share, but our aim is to get to about a 10% share of business in the passenger vehicle segment. As I mentioned in many, many calls prior, our focus areas are two wheelers, commercial vehicles and off road vehicles where we want to have the majority market share in India. Passenger vehicles, nevertheless, our aim is to go to about 10%, were with Tata Motors today, we are at 58% and for few other vehicle makers we have just started making the foray. But my hope and wish is to level off at around 10% and focus on the segments where we already have leadership.

Nirav Seksaria: Sir what is our current market share in the passenger vehicle segment?

Vikram Mohan: It's about 6.8%.

Moderator: Thank you. The next question is from the line of Sahil Rohit Sanghvi for Monarch Network Capital. Please go ahead.

Sahil Rohit Sanghvi: Can you please give me the split of the contribution from two wheelers, CV, PV you have already shared, and the other segment, if you can give me the revenue split for FY24?

Vikram Mohan: Two wheelers is about 50-53%. PVs is about 6.8%, commercial vehicle is about 25% of balance coming from off road vehicles.

Sahil Rohit Sanghvi: Balance coming from, sorry I didn't get your last.

Vikram Mohan: Off road vehicle industrial segments like your JCB, Tata, Hitachi, et cetera.

Moderator: Thank you. The next question is from the line of Pranay Roop Chatterjee from Burman Capital. Please go ahead.

Pranay Roop Chatterjee: Sir, I have only one question. If I look at the two wheeler industry, and I'm trying to compare before COVID, let's say FY2019, versus FY2024, at the industry level in your sense, out of every 100 scooters and motorcycles combined sold, what do you think the mix was between mechanical, electromechanical and fully digital TFT clusters in FY 2019 versus in FY 2024?

Vikram Mohan: Sir, I will not be able to off the park answer the question because, unfortunately my brain is not so encyclopedic, while you can send the question to our Company Secretary, I will get our team to answer that question.

Moderator: Thank you. The next question is from the line of Harini from Sundaram Alternates. Please go ahead.

Harini: Just one thing, when you were mentioning that on the revenue, it was because of delay in SOPs. Is it possible to quantify as to which segment is it majorly from, two wheelers? Are we seeing those ramped up right now some color on that?

Vikram Mohan: I don't want to talk about specific customers. But yes, there have been, across two wheelers and commercial vehicles, primarily about four customers in total. And as I mentioned, by April, it's got normalized, and from this quarter again, the SOPs are getting back to normal.

Moderator: Thank you. The next question is from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.

Vipul Kumar Shah: So, what percentage of our turnover should be coming from the products which we have introduced in the last two years any ballpark figure?

Vikram Mohan: Our average of NPD what we call New Product Revenue has been hovering between 20% to 25% every year and we are hoping to keep that momentum going for the next couple of years also Mr. Shah.

Moderator: Thank you. The next question is from the line of Prateek Patel from Chartered Capital. Please go ahead.

Prateek Patel: My question was related to the provisions which I can see, it's a long term provision rise from 148 to 190 and short term provision has been rising from 111 to 269. So can you just highlight number why it's so high?

Vikram Mohan: I request, our CFO, Priya to answer that question. Priya over to you.

Priyadarsi Bastia: Good evening. This long-term provision is pertaining to the employee benefit provisions which has increased and the custom provision is the warranty provision which are there.

Moderator: Thank you. The next question is from the line of Nirav Seksaria from Living Root Analytics. Please go ahead.

Nirav Seksaria: So, what is our CAPEX plan for FY25 and what was the capacity utilization FY24?

Vikram Mohan: Pardon me.

Nirav Seksaria: What was the capacity utilization in FY24 and the CAPEX plan for FY25?

Vikram Mohan: For FY25, the CAPEX plan is going to be about between 200 and 220 crores as announced over our three year 600 crore CAPEX for organic growth. This is not inorganic if any opportunities arise, number one. Number two, our capacity utilization at a current level is hitting almost about 85% and which is why we are now enhancing capacity and undertaking CAPEX at our new plants in Pune, upgrading our facilities in Coimbatore and in Manesar.

Nirav Seksaria: And the new CAPEX is for which product vertical?

Vikram Mohan: Across all product verticals, more leaning towards the DICVS. So it's also buildings coming up and it's for machinery, a lot of it for PCB manufacturing.

Nirav Seksaria: Okay. And if I could ask one more question, what amount of battery management system, like how are we going ahead with it?

Vikram Mohan: That is going a little slow and has not yet reached provision. And when the first LOI start trickling in at that quarter we will announce that.

Nirav Seksaria: Okay, but we expect a high margin from this segment right?

Vikram Mohan: No, it was never a high margin, we were looking at normalized margins, that's why the blended EBITDA and like I mentioned in my earlier call, we are taking three, four new product initiatives, not everything is going to be successful. One will be hugely successful, two will be moderately successful, and one we could fail. It is with that modicum of risk that we have entered into about three, four different product verticals.

Moderator: Thank you. The next question is from the line of Deepak from Barclays. Please go ahead.

Deepak: So, I just wanted to ask you like, in your last presentation you have mentioned that you are going to touch the revenue in financial year 26 of 3,600 crore. So is it intact and the second question is, have you added any new clients this financial year or in future you are going to add any?

Vikram Mohan: We have commenced a new business with new clients, especially with Honda motorcycle, and scooter India, which is going to significantly increase our top line in the coming years. Most of it is going into production 18 to 24 months from now. Significant LOIs, that is one. I don't want to elaborate more, because some of it is confidential. That's the trigger, the question on the new customers added, in terms of share of business. Yes, it is increasing with certain customers because of new platforms that we have added. In terms of 3,600 crore on the organic side, we are in fact about 3,200 crores. On the inorganic side, hopefully, over the next quarter, we will be able to have some more clarity as we are analyzing assets under due diligence right now.

Moderator: Thank you. The next question is from the line of Karan Gupta from Varanium Capital. Please go ahead.

Karan Gupta: So, my question is regarding the commercial vehicles and off-road vehicles. So, how you are seeing the traction of mechanical clusters to digital clusters because these are the segments where, right now, it has been the mechanical clusters are using. So, now how you are seeing the traction that they are shifting to digital or maybe LED?

Vikram Mohan: I will request our CEO and Executive Director to take that question.

P.M. Ganesh: Yes, good afternoon. BS6 regulation came into India, most of the mechanical clusters already have been changed to electronic cluster from 2020 onwards, most of the commercial vehicle manufacturers are using electronic clusters.

Karan Gupta: And CAPEX for 25 you said 237 so that is the part of your plan?

Vikram Mohan: 200 to 220 crore for organic CAPEX which is part of our larger 600 crore CAPEX plan.

Karan Gupta: Okay, for FY25?

Vikram Mohan: Yes.

Moderator: Thank you. The next question is from the line of Hetri Marviaya from Catamaran. Please go ahead.

Hetri Marviaya: So, my question is first, just want to clarify that the market share, in clusters in car is 6.8 or is it the share of revenue for us in four wheelers. And my main question was that, since we have got significant market share in our focus segments of two wheelers, as well as CVs, wanted to understand where is the incremental growth that we expect from?

Vikram Mohan: In passenger vehicle segment our share of business for clusters by volume is 6.8%, which we expect over the next few years to grow it to 10% and that's what our ambition is. Where is the incremental growth coming from the two wheeler and the commercial vehicle segment is increasing our share of business with certain customers by displacing competition or going up the value chain by certain clusters from electromechanical to electronic and mechanical to electromechanical, thereby increasing our value.

Hetri Marviaya: Understood sir. And if I may ask, do we have a number for how much contribution is from EVs, since that would be the ones that go to?

Vikram Mohan: It's still very early stages ma'am, we have now engaged with multiple EV player, almost 18 of them and in fact, our entire three city plant has been dedicated for EV cluster manufacturing, which is slowly ramping up. And, I just like to clarify here for your benefit and the benefit of all the other investors on this call. As I mentioned many times before, our product is propulsion agnostic. So, the question of whether it is EV or non-EV or even tomorrow fuel cell or hydrogen. Our product is propulsion agnostic. So really, the question of EV versus non-EV does not come into play, because everything else in an EV cluster is the same. In fact, we are in almost all the top EV clusters we are present today, except for fuel level, which is physical petrol level, here it is battery level. So, the question of being propulsion, we have a propulsion agnostic product. I just like to reiterate that.

Moderator: Thank you. The next question is from the line of Harini from Sundaram Alternates. Please go ahead.

Harini: So, I just wanted to understand that there's a significant increase in the capital work in progress, is it completely dedicated to the disc brakes facility that we are setting up or just a clarity on that?

Vikram Mohan: As I mentioned to you one plant is under construction, another plant is just commencing construction, new lines have started getting constructed, new machines have started coming in and getting commissioned. So these are all capital work in progress.

Harini: Understood. Also, if you could throw some light on what is the total capacity that we will be putting up for disc brakes?

Vikram Mohan: Eventually we will have a capacity of about 300 crores per annum. Currently we have put up a capacity for about 120 crores per annum.

Moderator: Thank you. The next question is from the line of Nandan Pradhan from Emkay Global Financial Services. Please go ahead.

Nandan Pradhan: So, I would just follow up on the initial question that was asked in terms of the new product development. You mentioned that you have got six customers and you are ramping up capacity that was in context to which product exactly?

Vikram Mohan: Pardon me sir.

Nandan Pradhan: You said that you have orders from six new customers and you are ramping up capacities for the same and you have LOIs coming in, so that is.

Vikram Mohan: New customers, four existing customers, the start of production got delayed. Vehicle launches or vehicle ramp up which has since got corrected and these are confirmed LOIs to. This delayed production has resulted in loss of sales in Q4 which was anticipated.

Nandan Pradhan: Okay. No, there was a question in context of the E-Cockpit and you mentioned, so this was not in that context, am I getting it right?

Vikram Mohan: Customers we spoke about, the only customer we spoke about which we have added, holds a significant volumes in the coming 18 months and onwards and increase the share of business and certain customers by displacing competition or going up the value chain.

Moderator: Thank you. The next question is from the line of Shikha from Time and Tide Advisors. Please go ahead.

Shikha: Yes, I was trying to understand where our exports were for the quarter and for the year and how we see that ramping up. I understand that as far as FY26 is to reach 20%. So, I want to understand where we are now and where the growth is coming from?

Vikram Mohan: Ma'am I have mentioned in previous calls, that is one area of failure in the company which we have not been able to achieve the vision of achieving 20%, then we have to scale it down to only 10% from the visibility we see especially the economic conditions in the US and Europe being much, much, much weaker than India. We are hoping to achieve about 10%. And we are currently at around 8%. That's standardly mentioned in multiple calls, this is one area where we have not delivered on our vision or our promises.

Shikha: Right. And this 10% is for FY26, that's the target?

Vikram Mohan: Yes, ma'am.

Moderator: Thank you. The next question is from the line of Sumit Shah for Monarch Network Capital Limited. Please go ahead.

Sumit Shah: Sir my question is regarding margins. So, I just want to understand that what has significantly changed for us considering we are guiding for 13.5% margins going forward, because if we see

in FY22 we had clocked around 11.7% margins and in FY23 around 12%. So what has changed for us basically is what I want to know, some savings and other expenses or what is it about?

Vikram Mohan: Actually, VAVE, productivity improvements, process improvement, and we see a clear visibility to get to about 13.5% and kind of realize that, I have always maintained that we see a visibility of 13.5% based on our plan for what we want to do and we are on track to achieve that. In fact, this year our margins took a slight shift because since you are aware we were engaged within certain corporate patterns which took up a certain amount of costs, administrative cost which were not planned otherwise, even these margins would have been a little higher for this year.

Sumit Shah: Okay, sir. And one more question if I could just ask you and that is, have we maintained our market share in the two-wheeler cluster, is there some stiff competition there that we are noticing?

Vikram Mohan: We have actually increased our market share and we are hoping to further increase our market share with the LOIs which we have received Mr. Shah, and that I can talk with thumb the table and say that because it's the proof of the pudding is the LOIs that we have received.

Sumit Shah: Sir, can you give us a number of the market share that you have currently in two-wheeler clusters?

Vikram Mohan: Mr. Shah I would like restrict to one question please, already you are on to the second now. There are quite a lot more people on queue.

Moderator: Thank you. The next question is from the line of Arpit Mangre an Individual Investor. Please go ahead.

Arpit Mangre: So, I have this question on TFT cluster. So do we have the technology of onboard map navigation because like in (Inaudible) what we have provided is that turn by turn navigation system?

Vikram Mohan: We have provided, we are the first in the country to provide turn-by-turn navigation on a two-wheeler in the country.

Arpit Mangre: Okay. So the map navigation do we have that technology with us?

Vikram Mohan: We were the first company in India to introduce map technology turn-by-turn navigation much before our competition in the country.

Arpit Mangre: No, I'm not asking about turn-by-turn. I am asking about the whole map which we can see in TFT cluster. Can we provide that?

Vikram Mohan: Yes, we do have that technology.

Moderator: Thank you. The next question is from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.

Vipul Kumar Shah: What will be the asset turnover of our expanded capacity for which we are spending close to 200 crores?

Vikram Mohan: We are pushing the team for 4.5 but I am quite confident of achieving 4 to 4.25.

Vipul Kumar Shah: 4 to 4.5 is the correct?

Vikram Mohan: Yes, that's right, based on the product mix.

Moderator: Thank you. The next question is from the line of MN Kumar, an Individual Investor. Please go ahead.

MN Kumar: Sir, are we doing anything about a heads-up display in the passenger cars area?

Vikram Mohan: Its already under development in fact in the last Auto Expo, even in our stand we demonstrated our indigenously developed HUV, Mr. Kumar.

MN Kumar: Thank you. Sir, if I may squeeze in one more, can you put the market share information once you used to do some two, three years before?

Vikram Mohan: We don't want to give it out, because competitors could tend to misuse it. But I think you would appreciate that.

Moderator: Thank you. The next question is from the line of Nirav Seksaria from Living Root Analytics. Please go ahead.

Nirav Seksaria: Just a follow up on previous participants questions, so could you give us the market share for two-wheeler segments, if it has increased?

Vikram Mohan: No, this is the third time I have answered this in today's call. Mr. Seksaria. I said, I turn table and say that our market share has increased and with our LOIs that is coming our way, it is going to only increase further in the next two years.

Nirav Seksaria: I am asking you to quantify, so is it possible to quantify it?

Vikram Mohan: Mr. Seksaria I just mentioned, I would prefer not to give numbers out because I don't want it to be misused by competition.

Moderator: Thank you. The next question is from the line of Sahil Rohit Sanghvi for Monarch Network Capital. Please go ahead.

Sahil Rohit Sanghvi: I just want some more details on the disc brake side, sir, which are these customers, are they domestic and what kind of capacity have you set up right now?

Vikram Mohan: We have added several customers, again competitive information. We have setup capacity for about 10 crore per month and we will be enhancing capacity over the next two years to between 300, and 400 crores per annum based on the business expansion.

Sahil Rohit Sanghvi: Correct. No, this is good enough sir the kind of penetration you have bought in this very competitive industry, I just want to understand what kind of ramp up are you seeing, this 130 crore kind of revenue, are you targeting to get that in two years with these customers or can we.....

Vikram Mohan: In the next three years we hope to go to about 300 crores or 25 crores per month is the hit rate that we are hoping to achieve in the next three years.

Moderator: Thank you. The next question is from the line of Khush Nahar from Electrum PMS. Please go ahead.

Khush Nahar: Sir, one question. What is the reason for the increase in other expenses in FY 24?

Vikram Mohan: Increase in the other expenses pardon me?

Khush Nahar: Yes, increase in the other expenses.

Vikram Mohan: As mentioned, we were involved in certain corporate actions this year, which added significant administrative and legal costs, which is a onetime thing behind us, and we will not have such a recurring cost, because we engage some of the top legal firms in the country.

Moderator: Thank you. The next question is from the line of Hetri Marviaya from Catamaran. Please go ahead.

Hetri Marviaya: Sir, I wanted to understand that within our DIS segment, currently how much volume or how much revenue would be coming from more advanced digital and TFT clusters and how much would be from the more traditional instrument Asian clusters?

Vikram Mohan: 25% by volume, by value will be closer to 50%.

Hetri Marviaya: And could you help us understand how has it grown in the past one year?

Vikram Mohan: Maybe, you can write to us ma'am like I mentioned, because then we could give you a more elaborate answer if you don't mind, because I don't have it at my fingertips.

Moderator: Thank you. The next question is from the line of Bhumik Shah, an Individual Investor. Please go ahead.

Bhumik Shah: Sorry, if I am asking this question again, because I joined late today. Are you on track to achieve our FY26 expectation of target of 3,600 crores revenue organic and 400 crore revenue inorganic, are we on track with that?

Vikram Mohan: We are on track to achieve 3200 crores organic and 400 crores inorganic which I just like to stand corrected which is what I had projected in my earlier call. Where we have fail to achieve is 20%, which is going to be lower at 10%.

Bhumik Shah: Okay. So now we are setting the target at 3200 crore organic and 400 crore inorganic right?

Vikram Mohan: Yes, this is what has been maintained by me in my last two calls also. That, exports is one area instead of 20%, we are now only looking at 10% we are tracking and that's one area where we have scaled back our projection.

Moderator: Thank you. The next question is from the line of MN Kumar, an Individual Investor. Please go ahead.

MN Kumar: Sir, this is related to the exports related thing. We were very optimistic about Caterpillar oil pumps, and everything, et cetera. I think that is going on, maybe the other things did not work. Can you give some colors about that sir?

Vikram Mohan: Caterpillar has worked pretty well and it is scaling up. I will request our CEO to talk about it. But one area, one thing you must keep in mind is the overall US and Europe volumes has started really coming down because of the recessionary trends on the geopolitical situation, which is half the reason. The other half of the reason is some of the customers we were hoping to penetrate, we have not penetrated because their business has not increased and we are quite happy with their existing supply.

Vikram Mohan: Thank you. Ladies and gentlemen, that was our last question. I now hand the conference over to the management for their closing comments.

Vikram Mohan: Dear investors thank you very much for your confidence in the company and for helping the company scale new heights and for your patience. And we do hope to continue rewarding your patience with better and better results in the quarters to come, under the able guidance of our CEO, assisted by our Director of Strategy and our Head of Finance and the rest of the team. Thank you very much for participating in today's meeting. And as usual, I will meet you all again virtually for the H1 call and the Q1 call will be handled by our CEO, CFO and our Director of Strategy. A very good evening to all of you, Namaste.

Moderator: Thank you, members of the management team. Ladies and gentlemen, on behalf of Pricol Limited, that concludes this conference call. We thank you for joining us and you may now disconnect your lines. Thank you.