



“Subros Limited
Q3 FY 2023- 24 Earnings Conference Call”

January 31, 2024



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Moderator: Ladies and gentlemen, good day and welcome to Subros Limited's Q3 FY 2023-24 Post Results Conference Call hosted by Batlivala & Karani Securities India Private 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.

I now hand the conference over to Mr. Annamalai Jayaraj from Batlivala & Karani Securities India Private Limited. Thank you and over to you Sir.

Annamalai Jayaraj: Thank you Lizaan. Welcome to Subros Limited's Q3 FY 2023-24 post results conference call. From Subros Limited management, we have with us today, Mr. Parmod Kumar Duggal- Chief Executive Officer, Mr. Hemant Kumar Agarwal - Chief Financial Officer and Vice President (Finance), Mr. Sukhbinder Singh Gill- Assistant Vice President (Finance). I will now hand over the call to Mr. Parmod Kumar Duggal for the opening remarks to be followed by question and answer session. Over to you Sir.

Parmod K Duggal: Thank you Mr. Jayaraj. Good morning ladies and gentlemen and warm welcome to all of you for Subros investor call for Q3 FY 2023-24. Since last two quarters surge in automobile sales is a clear indicator of overall stability in the auto industry. We are observing a sharp recovery month-on-month in the auto market sales and this positive trend is anticipated to continue. However, there are mixed views for future growth of FY 2025 due to various geopolitical scenario and are also being election year ahead. We are watchful to this situation. There is a robust economic growth, new launches, record festive numbers and year-end discount offered by the automakers which has resulted into passenger vehicle sales during the Q3 of the financial year went up by 8.24 to 10.12 lakhs units as compared to 9.35 lakhs units in the corresponding period. At Subros in Q3 of FY 2023-24 we have grown by 12% and year-to-date approximately 9% which is very much aligned to industry growth. The Company has achieved sales of approximately Rs. 730 Crores during this period and also significant improvement in the profitability. The results of Q3 FY 2023-24 have been shared with the stock exchanges and also posted on our website.

Let me elaborate the summary of results one-by-one. First I will update about the industry relevant part of our business. In this quarter passenger vehicle industry has shown growth of 5% on production basis in comparison with corresponding quarter of the last year whereas Subros PV segment thermal product growth in Q3 is 12% in comparison with the corresponding quarter of the last year, so our performance is better than the industry

performance and this is because of the model mix and also reflection of new model introduction for Subros. Commercial vehicle bus is also improving because of tourism sector and public transport system improving. AC fitment ratio is also improving in this segment. Industry has shown a growth of 36% on production basis as compared to the corresponding period whereas Subros has registered slightly downside by 8% in comparison of corresponding quarter mainly because of model mix and AC fitment ratio relevant to our customer; however, on a value term there is a growth of 12% in this segment. Further, in commercial vehicle segments N2 and N3 category the industry has grown by 17% in Q3 and in value term Subros has grown by 15% in this segment. In AC fitment ratio in N2 and N3 category has also improved by around 6% which is contributing to partial compensation of slight volume risk. In home AC space still we are muted on our effort on home AC business expansion. This quarter there is a small sale of around Rs. 1 Crores and we are still watchful of the commodity price fluctuations and the price being offered by the OEMs for the next season, so overall revenue from operation has been recorded at Rs. 732 Crores in this quarter which is having a 12% growth over the corresponding quarter.

Now let me explain each segment wise contribution to the sales during the quarter. In this quarter, car and non-car segment has contributed around 94% and 6% respectively. Maruti Suzuki, Suzuki Motor Gujarat has contributed 85% of the total sales during the quarter. Our share of business in passenger vehicle air conditioning market has improved to 44% and as share of business in truck AC blower segment has also improved to 56% now. In bus AC our share of business is 15% during the quarter.

Now about the operational performance as I mentioned before there are lot of challenges in the supply chain due to the global increase in demand which are finally which we have witnessed in the last two year. Commodity price fluctuation, logistic price escalation and foreign exchange volatility also is one of the factor for the operational performance although commodity prices fluctuation started easing out during Q3 which is reflected in our material sales ratio. Company has realized EBITDA of Rs. 66.14 Crores in Q3 of FY 2023-24 as compared to EBITDA of Rs. 42 Crores in the corresponding quarter so there is an improvement of 57% as compared to the last year same quarter. Last two quarters we are able to consistently realize EBITDA above 9%. Profitability before tax in Q3 FY 2023-24 is Rs. 33.96 Crores which is 4.65% of the net sales, so profitability margin with the corresponding quarter it has improved by 178% and last two quarters we have been able to consistently realize PBT of above 4.5%. Profit after tax in Q3 is Rs. 26.79 Crores which is 3.67% of the net sales. PAT margin with the corresponding quarter has also improved by 227% and we are improving the overall PAT as against the Q2 also.



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As a summary, revenue of Rs. 732 Crores in Q3, growth of 12%, EBITDA of Rs. 66.14 Crores in Q3 with a growth of 57%, PBT of Rs. 33.96 Crores with a growth of 178%, PAT of Rs. 26.79 Crores with a growth of 227%. Briefly on the business update, as I mentioned that Q3 FY 2023-24 performance has started improving and registered growth of EBITDA, PBT as well as PAT, we will continue this persuasion for the future quarters also and we will try to sustain this or improve this performance here on. As we reported the profitability was a bit challenge in last seven to eight quarters. Now because of our effort of cost down and also commodity prices easing out this is being reflected in our financial performance. Localization focus for derisking ourselves from a global cost pressure and economic fluctuation will continue as our key priority and we are striving for bringing the overall imports to less than 10% in near future.

New business development side as mobility landscape has fundamentally transformed and is going to continue for eight to ten years so our effort in electric mobility, hybrid cars and also on CNG vehicles is improving quarter-by-quarter. Our collaboration with Denso in terms of introduction of new technology is ongoing and time-to-time we will continue reporting you about the new technology in production along with the support of Denso. There is significant success of securing new business in EV space, in bus space and also in the railway space for which we have reported in previous quarter Rs. In Mahindra new tractor OJA, M-star for US market and also for Japan market, SOP has started and we are seeing some growth or the ramp up coming up in these segments. Our business for truck AIRCON for N2 and N3 categories where AC is made mandatory from June 2025, the engagement with customers are on and we are now almost finalizing the specification for product development and soon we will be announcing the final result of the negotiation for these truck AC applications. As I mentioned coach AIRCON after the kit development which was pending for last few quarters finally all approvals have been received and big tender of Rs. 28 Crores we secured in the last quarter which was reported to the stock exchange also and now we are preparing for the delivery of this, so this is all from my side. Now we are ready to take questions and feedback.

Moderator: Thank you very much. We will now begin the question and answer session. Ladies and gentlemen we will wait for a moment while the question queue assembles. The first question is from the line of Abhishek from Dolat Capital. Please go ahead Sir.

Abhishek: Thanks for opportunity and congrats for a strong set of margins despite lower revenue. Sir my first question on the growth outlook on the passenger vehicle AC segment as many industry participants are saying that passenger vehicle growth would be around 0% to 5% so in this case what kind of the growth you are looking for your company as we know that mix is improving towards this SUV segment and plus that the new business will come from

the other segment as well so what is your growth outlook for the next two years in terms of the revenue?

Parmod K Duggal: Thanks Abhishek for the question so there are very mixed feedback which are coming right now for last two months about the future outlook of PV segment for FY 2025 as well as FY 2026. As my initial remarks already include this element that next year because of more geopolitical disruption and also being election year things may be muted for first half because I think government budget would be announced post election differently so we need to wait and watch. Right now I am not able to give a very precise number on that but yes the industry growth in PV segment being stopped now between 3% to 6% for next financial year we need to wait for another one month to freeze on that but yes for Subros perspective as the growth overall in PV segment may be slightly lower or not as expected but SUV segment growth would be definitely very encouraging and since we have a substantial business in SUV segment our growth definitely will be better than the industry so I am not quantifying that but you can take this as a positive thing that we will be doing better than the industry.

Abhishek: On the margin side the gross margin has improved quarter-on-quarter basis so have you taken any price hike or what is the outcome of basically expansion of the gross margins and what is your outlook for the EBITDA and gross margin for the next one or two years?

Parmod K Duggal: So there are mix of efforts which has reflected into improvement in margin, one partially we could settle our claims with the customer about the escalation which are not part of our regular indexation that is one. Two a very aggressive action which we have taken for cost down projects which has resulted into realization of better MSR and also resulted into better EBITDA margin so these have already factored in and as you saw in last two quarters we have crossed that reference of 9% EBITDA and we will try to improve here on. Again as I mentioned in my previous conversation and also in our investor meet also we are not targeting a very long but we are targeting a short milestone of each quarter. The next six to eight quarters we want to achieve and cross that 10% EBITDA target which we set for ourselves and right now efforts are on for first to achieve that milestone.

Abhishek: Sir in a segment wise how much nine months number for the radiator passenger vehicle AC and other segment?

Parmod K Duggal: So YTD nine months overall around Rs. 1750 Crores revenue has come from passenger vehicle AC products, Rs. 350 Crores around is ECM product that is radiator, bus AC has contributed around Rs. 30 Crores, truck has contributed around Rs. 70 Crores, aftermarket is maybe around Rs. 55 Crores or so and rest is from other segments.



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Abhishek: My last question on the home AC segment so as that in last couple of quarters you are avoiding to increase your production because of that margin pressure so what is your plan going ahead, do you want to scrape this business fully or you want to increase your business with some modifications?

Parmod K Duggal: So what I said is we have just muted our effort on aggressive persuasion of this business from a growth perspective because finally there is a pressure on margin so till the time we get relevant prices which will support the overall margin for Subros we will be going slow and we need to wait and watch for this time summer how it is going to shape up based on that industry may take a positive trend so accordingly we will make our plans to expedite these sales. Right now we are just watchful. There is no financial impact negative to us while we are on mute so that is why it is not impacting our operational performance.

Abhishek: So what kind of the assumption we can take in home AC business revenue although we know that this is positive for the margin perspective but going ahead if I talk about the growth, the growth will come only from the home AC segment incremental growth so what is your plan for that so what kind of assumption we can take for the next two years in home AC segment?

Parmod K Duggal: Home AC segment when we are saying that Subros growth would be better than the industry we are excluding home AC business as of now for the assumption of growth. Whenever there would be a revival of plan for home AC that would be add on to our natural growth which is being planned now. This year we do not expect that we will go beyond we have done around Rs. 4 Crores to Rs. 5 Crores so far so it might be around Rs. 6 Crores during this year. Next year would be as of now with the current assumption between Rs. 10 Crores to Rs. 15 Crores till the time we see a big change in the industry model so we will be muting it till that time.

Abhishek: Thank you Sir. That is all from my side.

Moderator: Thank you. The next question is from line of Aashin Modi from Equirus. Please go ahead.

Aashin Modi: Thanks for the opportunity so Sir coming back to the margins so if you see margins have now improved to 27% levels and assuming that if the raw material basket remains stable can we go back to that earlier levels of 29% to 30% and secondly what would be the impact of this Red Sea crisis on our gross margins?

Parmod K Duggal: So two questions you asked. First of all on the gross margin which is already reached to around 25% we would be gradual in improving we will not be jumping to directly 30% but

yes it would not be 30% exactly but from 25% to 26% and to 27% this is how the gradual improvement would be in subsequent quarter. There is no substantial impact because of this Red Sea crisis because our import from Europe side is not substantial it is very negligible import so our major imports are from China or Korea or from Japan so we are not substantially impacted because of this crisis, but of course as a value chain there may be impact on the OEM side, there may be impact on some other suppliers which may disrupt the overall value chain. We are watchful of that situation.

Moderator: Thank you. The next question is from line of Varun Arora from B&K Securities India Private Limited. Please go ahead.

Varun Arora: Sir your target for order non-auto is 75:25 currently it is now 94:6 as per the comment, by what timeline we can achieve this target Sir, any internal target you have set for yourselves?

Parmod K Duggal: There are two elements which will substantially improve this car and non-car percentage. One the adoption of AIRCON by N2 and N3 category where the sizeable markets will improve or increase where we are targeting a substantial market share also and second growth in rail segments where we started getting order in coach AIRCON now, so these two would be the key factor for moving to non-car segment growth.

Varun Arora: Any new order is right now you are having or expecting from the railway Sir as you had just Rs. 25 Crores order from the railway any other thing is going on that front?

Parmod K Duggal: Varun since railway is always on a tender business so tender frequency is not fixed so after Rs. 28 Crores we got another Rs. 4 Crores of small tender. Another three to four tenders are in pipeline which would be decided maybe in next quarter or so, so we are participating by tenders so that is how on periodic basis we will continue updating you.

Varun Arora: I just want to ask have you upgraded your target to 60% market share as per the large channels you have been targeting 55% so right now it is 54% so have you updated your target from 50% to 60%?

Parmod K Duggal: No. Right now we are consistent in our long-term approach so what we said in our investor meet that from 44% which is currently our share of business in PV segment we want to inch it to around 45% to 48%. In truck segment it was targeted 56% but right now 54% is just an outcome of the model mix but when this N2 and N3 category would be fully implemented 56% target which may go up to 58% that is how we will be striving for share of business improvement.



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- Varun Arora:** By what timeline you are expecting this 58% market share Sir?
- Parmod K Duggal:** So this notification would be now I think rolled out from June 2025 so maybe FY 2025 - FY 2026 this would be more realizable.
- Varun Arora:** Thank you.
- Moderator:** Thank you. The next question is from the line of Aashin Modi from Equirus. Please go ahead.
- Aashin Modi:** Sir my second question was regarding product development for strong hybrids and EVs so we were developing compressors for strong hybrid and also the whole product kit for EV cars where are we on that journey and by when do we expect the product to be developed and get tested?
- Parmod K Duggal:** So on EV side and strong hybrid side there are a few products which are part of this introduction so one is the radiator which is a special kind of radiator that is already being launched now, second is on the EPSV and special hose and pipe for EV that has also been launched now with Mahindra business what we got for all the EV platform and also for Maruti's EV car they will be introduced now. The only remaining issue what we have is on the compressor side so this compressor would be more for localization because product is already available in Japan so that visibility is ongoing right now for localization of this compressor because finally it would be very important step and very large investment as well as introduction of EV in Indian market based on the final specification so that engagement with the customer to decide the final specification, also the location as well as for investment to the extent of investment this is being under study so it may take another two to three quarters to freeze on that and we will update the investors accordingly.
- Aashin Modi:** Sir the next question is regarding the electric bus category so now with EV penetration increasing in that category how do we see that market expanding and also how do we see Subros revenue expanding in the bus category going forward?
- Parmod K Duggal:** So EV buses definitely would be a very aggressive growth because government has decided to buy most of the new purchases through EV buses only. EV buses require a very special kind of kit which is already developed and given to the OEM for final integration with their system. All the OEMs kit is at very advanced stage for final integration and also in addition to EV for hydrogen buses also a special kit is required which is also developed and given to of course now it is in public that Ashok Leyland is developing a bus kit with the hydrogen cell so for hydrogen bus kit also we have supplied to them. One order we already received

second order is in pipeline, so the projects are on but we see a very sharp growth here in bus segment both in EV as well as in hydrogen cells so maybe in the next one to two years we will see a drastic improvement.

Aashin Modi: What would be the ASP of EV bus versus a normal bus and what would be the industry size right now and how will you improve going ahead?

Parmod K Duggal: I will not say it would be incremental industry it is a replacement industry because whatever right now is ICE bus will convert to EV bus but from ASP standpoint it would be around 25% to 30% delta from ICE AIRCON to EV AIRCON.

Aashin Modi: Regarding AC penetration in the bus category?

Parmod K Duggal: That is right now between 7% and 9% may increase to around 15% to 20% maybe a period span of three to five years.

Aashin Modi: Finally what would be the size of this AC bus industry currently?

Parmod K Duggal: AC bus industry would be around maybe around Rs. 175 Crores to Rs. 200 Crores.

Aashin Modi: Our market share?

Parmod K Duggal: Right now our market share is 15%.

Aashin Modi: Sure Sir. Thanks a lot Sir. I will get back into queue.

Moderator: Thank you. The next question is from line of Arjun Khanna from Kotak Mahindra Asset Management. Please go ahead.

Arjun Khanna: Thank you for taking my question and congratulations on good set of numbers. Sir the first question is on the railways while you did clarify in terms of the order tenders, etc., but in terms of the overall market size what we address how much would be the tendering that actually comes through and how do you see this grow in the next two to three years so when you plan in terms of capex what kind of revenues do you envisage say for 2026-2027?

Parmod K Duggal: So thanks Arjun for the question. Railway business is not a very regular business. It all depends upon government's spending on converting the existing rail engine to AIRCON or coaches to the AIRCON and also depends upon how much is the allocation for the new bogies so it would be I will say periodical or maybe a tender based business only but yes over a period of last three to five years government initiative of first converting all driver

cabins to AIRCON is definitely a very much encouraged action and second more and more AC coaches are being launched now. So right now we are starting with Indian Railway then our next action would be to all Vande Bharat and this Amrit Bharat that the new series which will be coming now. As a long-term segment we are expecting that we should be touching between Rs. 75 Crores to Rs. 100 Crores which would be around 30% or 35% of the total market so that is our plan between three to five years and our actions are aligned to that. From investment perspective there is no very large investment required for this because this is more or less there are few in-house parts, there are few outsourced parts which are specified as part of the railway specification and then finally the assembly part of that so that is how this whole business model is.

Arjun Khanna: Sure very helpful Sir. Sir the second question is we talked of hydrogen vehicles, those are more in terms of fuel cell but if it is hydrogen ICE is there any change in the technology used for air conditioning of the vehicle?

Parmod K Duggal: No, luckily this is common for us whether hydrogen ICE or hydrogen fuel cell the AC AIRCON will not have substantial change or there will be negligible change.

Arjun Khanna: No Sir I was actually asking between say hydrogen ICE versus your current ICE vehicle so compared to current diesel is there any change in content of vehicle for us?

Parmod K Duggal: Yes that is for sure because hydrogen ICE and normal ICE AC kit has some differential because the battery cooling module or the integration part is substantially different so you can take a delta of maybe around 30% between a normal ICE and AIRCON versus hydrogen ICE AIRCON.

Arjun Khanna: Sure but there would not be battery in an hydrogen ICE right?

Parmod K Duggal: But we are keeping provision common for hydrogen ICE as well as battery so where it would be part of scope or would not be part of scope but there will be other changes which will have the delta of 30%.

Arjun Khanna: Perfect. Sir if one looks at for the newer technologies in air conditioning globally the developed countries have moved to HFOs do we have the technology for the same given that India is now producing vehicles which are exported?

Parmod K Duggal: So in the refrigerant part the transition is from R2348 to R1234yf that is how India would be transitioning. Already this refrigerant is being used for all exported vehicle for last more than three years now rather four years and in India this would be gradually implemented



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from 2027 as per the Paris agreement so products suitable for this transition have already been rolled out, they are available and they are already part of supply to the OEM.

Arjun Khanna: Sure so we have indigenized this technology at Subros?

Parmod K Duggal: Yes.

Arjun Khanna: Perfect. Sir just one more query in terms of our capex is if you could just help us understand how do we look at it over the next two years I know you mentioned that possibly we could have that EV capex so with it and without it what would be our outlook for FY 2025 and FY 2026 Sir?

Parmod K Duggal: So we are very consistent in terms of our investment strategy and I am repeatedly informing this our capex normally is between Rs. 100 Crores to Rs. 140 Crores would be there which will include the maintenance part, which will include the new product development, automation or any other cost on projects also but any strategic investment whether for Greenfield or for a very large localization including the EV part would be a very special investment which would be taken care of as and when we decide to go for that. Whether we will go in one shot or whether we will go in phases that would be addition and we will inform suitably.

Arjun Khanna: Sure. Thank you very much and wishing you all the best.

Moderator: Thank you. The next question is from line of Varun Arora from B&K Securities India Private Limited. Please go ahead.

Varun Arora: Thank you so much for having me again Sir. Sir if you can provide any order book number and as well as a breakup?

Parmod K Duggal: So Varun in our industry order book is not a very specific KPI because wherever we are already packaged in any model so these models will continue till the life of the vehicle so it may have five to seven years so we will be following the natural growth of such model for future growth but additionally there would be certain model changes means full model change or a minor change or there would be a new model introduction by the OEM. Based on that the incremental revenue in next two to three years where we already secured some delta business is around Rs. 400 Crores so far in this financial year which include railway, which include the new few bus orders also and which also include OEM businesses for hybrid or for EV as well as the expansion projects of few OEM.



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- Varun Arora:** This is for FY 2025?
- Parmod K Duggal:** So order book is this year that is FY 2024, the execution would be maybe FY 2025 and FY 2026 the SOP timing will be different.
- Varun Arora:** So this 50% we can say so like 50,000 we will execute in FY 2025 or FY 2026 like that?
- Parmod K Duggal:** Maximum I think of the current order book the SOP would be maximum SOP in FY 2026.
- Varun Arora:** Yes.
- Moderator:** Thank you. The next question is from line of Aditya from HDFC Securities. Please go ahead.
- Aditya:** Sir just one point most OEMs for this year are guiding for low single digit growth because the pent-up demand is now behind so in this backdrop how are we seeing our growth it will come from new models or premiumization?
- Parmod K Duggal:** So interestingly Aditya as you said rightly everybody is talking about single digit growth but we are not quantifying whether single digit could be a very early tenures or the late tenures but yes next year is going to be like this. We will be having slightly better performance than industry which I said before also only because of some incremental business of the new model where we have secured business especially in EV space because that would be a new model launch not the existing growth of existing model so maybe between 5% to 6% that is how we look at. If the market is between 3% to 4% will be maybe around 5% to 6%.
- Aditya:** Got it Sir. Thank you.
- Moderator:** Thank you. The next question is from line of Arjun Khanna from Kotak Mahindra Asset Management. Please go ahead.
- Arjun Khanna:** Thank you Sir. Just in terms of the content while you mentioned maybe 200 BPS higher growth than industry we were looking at new EV related products coming through just to remind me Sir in terms of content per vehicle how much higher is it say for a EV versus a normal vehicle given that we have won orders you mentioned from Maruti and from Mahindra & Mahindra so compared to the equivalent normal vehicle what would be the content increase?
- Parmod K Duggal:** So it is not by vehicle it is by the applicable product. For example in Mahindra if we have taken hose and pipe and if we compare hose and pipe of ICE engine versus EV engine it is

just 2x. If we take example of Maruti other than compressor if we take HVAC condenser or ECM together it would be around 1.25x or so.

Arjun Khanna: Sure and including compressor just understanding kit value because localization would happen over a period of time?

Parmod K Duggal: So compressor would be around 5x if we compare ICE compressor versus between 4x to 5x in case of EV compressor versus ICE compressor.

Arjun Khanna: Sure and on an overall kit value basis suppose we are supplying all because I do not know the price of individual components so on a like-to-like if Rs. 100 is for an equivalent ICE so what would it be for an EV Sir if assuming the entire kit?

Parmod K Duggal: It would be around if it is Rs. 100 so Rs. 190 to Rs. 210 based on the model application.

Arjun Khanna: Including all compressor hose, pipe and other sure perfect. Sir around 2.1 times is the number?

Parmod K Duggal: Yes.

Arjun Khanna: Perfect. Thank you so much Sir.

Moderator: Thank you. The next question is from line of Aashin Modi from Equirus. Please go ahead.

Aashin Modi: Thanks for the opportunity again Sir. Sir regarding our share of business with M&M so we have earlier indicated that we are looking to increase our share of business to 25% to 30% so where are we on that in terms of conversation with Mahindra and also which are the major service parts of the catering supply to Mahindra and do we expect to add products over there?

Parmod K Duggal: So Mahindra was our focus attention as a customer growth so we started maybe four to five years we were around 10% to 12% of the total Mahindra buying with us we already reached to around 24% now. Our next target would be around 30% when we start supplying for EV application Mahindra started launching EV there are three to four models which are still in pipeline, so as when we increase or these launches will happen our share of business will increase and also we started supplying supply for Mahindra pickup vehicle where AC is also introduced now so that SOP also started this month. Of course this will come in the next quarter as a reflection so our penetration in Mahindra as a customer is improving quarter-by-quarter.



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- Aashin Modi:** Sir which model are we talking about where we started supplying AC?
- Parmod K Duggal:** That is a pickup vehicle.
- Aashin Modi:** Thank you Sir.
- Moderator:** Thank you. The next question is from line of Nemish Shah from Emkay Investment Managers Limited. Please go ahead.
- Nemish Shah:** Sir thanks for the opportunity. Sir you mentioned about the realization differential between ICE and PV which was about 2x so what will be that for hybrid vehicle?
- Parmod K Duggal:** So hybrid vehicle also use the electric compressor and only change point would be the AC pipe so it would be between 1.7x to 1.9x so that is how the hybrid versus complete 100% EV would be having difference.
- Nemish Shah:** That is it from my side. Thank you.
- Moderator:** Thank you. As there are no further questions from the participants I now hand the conference over to the management for closing comments.
- Parmod K Duggal:** Thank you very much to all of you, first to have trust in Subros, being patient when we were down in terms of our topline and bottomlines and since now the recovery progress is happening now and we see a sustainable growth from here on. As everybody has touched upon to this subject next year is going to be very challenging. We are not sure about the exact number how the growth will shape up but surely between H1 and H2 there would be a drastic differential so we need to be watchful of the industry performance and we will keep you updating about the progress and what assumption we have taken for the next year plan in subsequent period inflection. Thank you so much to all of you.
- Moderator:** Thank you. On behalf of Batlivala & Karani Securities that concludes this conference. Thank you for joining us. You may now disconnect your lines.