



SHIVALIK

Shivalik Bimetal Controls Ltd.

(A Govt. of India Recognised Star Export House)

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SBCL/BSE & NSE/2025-26/32

20th August, 2025

To, BSE Limited Corporate Relationship Deptt. PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001 Code No. 513097	To, National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Code No. SBCL
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Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcription of Earnings Call held on Thursday 14th August, 2025

Dear Sir,

Please find attached herewith transcription of Earning's Call held on Thursday, August 14th, 2025.

Kindly take the same on record and acknowledge.

Thanking you,
For Shivalik Bimetal Controls Limited

Aarti Sahni
Company Secretary
M. No: A25690

Shivalik Bimetal Controls Limited

Q1FY26 Earnings Webinar Transcript

Thursday, August 14th, 2025: 4:00 PM IST

Speakers from the Management:

1. Mr. Kabir Ghumman- Managing Director
2. Mr. Sumer Ghumman- Whole-time Director
3. Mr. Rajeev Ranjan- CFO
4. Mr. Kanav Anand- Head of Sales & Marketing

Moderator:

Ladies and Gentlemen- Good Afternoon, welcome to Shivalik Bimetal Controls Limited's Q1FY26 Earnings Conference Call produced by ElevEase.

I am Shankhini Saha- Director of Investor Relations from Dickenson, and I will be moderating our call today.

Joining us from the Shivalik's management team are:

1. Mr. Kabir Ghumman- Managing Director
2. Mr. Sumer Ghumman- Whole-time Director
3. Mr. Rajeev Ranjan- CFO
4. Mr. Kanav Anand- Head of Sales & Marketing

Please note that this conference is being recorded, and that some statements in this call may be forward-looking, based on current expectations and subject to risks that could cause results to differ materially.

You can download SBCL's investor presentation and press release from the links in the community chat or from the company website or the NSE.

Kabir Ghumman:

Good afternoon, and thank you for joining Shivalik Bimetal Controls' Q1 FY26 earnings call. I'm Kabir Ghumman, Managing Director. With me are Mr. Sumer Ghumman, Whole-time Director; Mr. Kanav Anand, Head of Sales & Marketing; and Mr. Rajeev Ranjan, Chief Financial Officer.

For FY26, we are executing against a clear strategy to build a durable, higher-quality growth engine. First, we are shifting from stand-alone precision parts to assembly-level solutions backed by in-house R&D, advanced tooling and pilot prototyping, tightening our role inside customer platforms and

shortening time-to-commercialisation. We are also preparing a Centre of Excellence and R&D facility to accelerate product innovation in high-value, technology-intensive components. These moves complement our process moat, electron-beam welding and diffusion bonding, which gives us control of quality, cost and lead times.

Our performance highlights this quarter underscore that strategy. EBITDA grew 32.5% with a 452 bps margin expansion to 25.26%, driven by mix, cost discipline and operating leverage. Shunt Resistors now contribute ~49% of standalone revenue, reflecting their scaling relevance in our portfolio. Within Shunts, India grew 19.12% year-on-year to ₹20.29 crore, supported by smart metering and industrial demand, while Rest of Asia rose 62.81% albeit from a lower base, offsetting softer exports in the West. Working-capital efficiency improved with inventory days down 20 to 177 and net working-capital days down 29 to 212.

Our balance sheet gives us room to invest with discipline. ROCE stood at 24.65% for FY25 and we carry net cash of ₹77 crore: supporting forward integration, automation and capacity debottlenecking without stretching capital.

In short: platform-led solutions, an expanding Shunt business segment, improving unit economics and tighter working capital are positioning Shivalik for sustainable, profitable growth as FY26 unfolds. With that, we'll start with the Q&A session.

Nikhil Poptani:

Thank you for giving me the opportunity. So my first question is, like, the on the macro, like macro situation has been very tough recently. How are we planning to grow an FY 26 based on our current order book? And how is auto order book grown in the shunts and bimetal segment during the quarter?

Kanav Anand:

For Shivalik in the current year- the current year looks good. It looks positive. Of course, as you rightly mentioned, the external conditions are tough. They are very dynamic, but being in the kind of components and the products that we are in, we have a long term strategy in place with the customers, and the present year looks robust for Shivalik.

Nikhil Poptani:

But on the quantitative matrix like, how has the order book grown? Like, has it grown 5% 10% year on year basis, or something like that? If you could just give guidance on that portion?

Kanav Anand:

As committed, as mentioned previously, also, we expect to have a double-digit growth this year, and we are very much aligned to our estimations.

Nikhil Poptani:

That's great to hear. Also, my second question would be on the price realization. We have seen uptick in the price utilization for shunts as well as bimetals. So what has given the price realization growth in a bimetal segment?

Rajeev Ranjan:

Yeah, of course. Okay, so in the in this you see our price realization for both the segment as is a little bit different. So, in front, the realization is a bit higher compared to the bimetal. And in this result, also, you can see there is a growth of gross margin, approx. 215 BPS due to this product mix. The one, the major factor for increasing or improving in the gross margin is the components versus a parts. So, whenever we are supplying more in components, then we are having a higher realization compared to the parts. So, where the composition is changing, our gross margin is improving a little bit.

Nikhil Poptani:

I understood that the product mix is changing in the shunt segment, but what led to the price realization growth in the bimetal segment?

Rajeev Ranjan:

So bimetal segment, after a certain point you can see, the same concept is working in bimetal too. And in this quarter, we have grown in bimetal by a certain percentage which gives us a margin improvement. And in fact, if you see the operating leverage which is working in because we are not implementing or we are not putting any additional capex burden on the product.

Akash Vora:

So my first question will be on the domestic bimetal side, sir. I think in the earlier con calls, you have alluded that, you know that is an area where we should comfortably grow at around 15, 20% considering that, you know, the bigger switch gear players, kind of ABB, Siemens, Havells- These players are also growing quite well in India, but that somehow hasn't reflected in our numbers. Would like to understand why, and then I'll come on to my second question.

Kanav Anand:

No. I think we do expect our domestic bimetal business to also rebound, as we have seen it for our export business, as you rightly said, our customers, like ABB, Siemens, Schneiders and so on, they have grown. But they have multiple verticals, that vertical within which our materials are at the moment going they're still kind of subdued. The markets are relatively slow than our previous estimation. But as I mentioned earlier, we expect this to rebound, and we would see at the end of the year that our domestic bimetal will also with this growth as anticipated earlier.

Akash Vora:

So I mean, do we stick to our bimetals or domestic bimetals growth guidance of 15, 20% this year? Would it be possible?

Kanav Anand:

I mentioned double digit like last time as well, and I'm going to stick to that as well, for the domestic market as well.

Akash Vora:

Coming on to my second question, which is related to shunts. So on the shunt side, I'd like to understand what's our split for India shunt sales of around 20 crore. How much is from smart meter and how much is from automotive?

Kanav Anand:

Roughly 70, 75% of our domestic shunt is coming from metering applications. And that about 25% about 20% would be automotive,

Akash Vora:

And just a follow up on that. I mean, so in shunt, sir, I think I was just observing the trend. So we have lost quite significant business, let's say, in the last four, five quarters in the Americas, right? So while we have also gained some in other, other geographic locations, but it's not as much how much we have lost in America. So how do we plan to cope up with the same and what's the situation there?

Kanav Anand:

As you know, America remains the dynamic very I would say, currently in a dynamic situation with them, the markets are kind of relatively difficult to predict what's going to happen in America, but our strategy with the customers has been more to kind of diversify our portfolio to other parts of the world, to kind of minimize any threats that the company might have with the current situations that we are all hearing about. And what we are also seeing is that a lot of our forward integrated activities are helping us to kind of move our materials directly to end users, which were earlier, going back to the US and getting reaching the end users. So, basically, a lot of our revenue that was going into the US has been pulled out and going to the direct OEMs or distribution centers of our current existing customers, because of our ability to forward integrate into components and added value assemblies. So that's why you'll see that revenue is kind of moving towards that graph is moving from away from North America and getting into other parts of the world.

Akash Vora:

And my last question on margins, sir, if Rajeev sir could answer that. So basically, will we be able to hold these kinds of margins for the rest of the year?

Rajeev Ranjan:

I mean, Akash, so this is where we would like to achieve, and at this moment, we have achieved so far. So if the momentum of revenue will continue at the level itself. The margin is sustainable for the year.

Dhiraj Dave:

Congratulations to Team Shivalik for wonderful performance in challenging time. Kabir, if I may ask, on slide nine, there is some mention about pilot, PCBA, assembly line, prototype. Can you elaborate what exactly is our effort, and how we shall see and whether it can become a contributor, major contributor, to our future growth?

Kabir Ghumman:

So, what this is basically covering, in a nutshell, is something that kind of also touched on, which is the forward integration from the specifically from the automotive and certain non-automotive applications, where, generally what happens is that a shunt is primarily used for current sensing. So eventually the end user, or the tier one customer, would do some sort of a sub assembly, which would allow the, you know, the end user, to extract the voltage sensing potential from the shunt. Now, by putting a PCB onto the shunt, along with a few other components that provide other data, you are creating one stop solution where you're getting accurate current sensing, along with other sensors that are mounted onto the shunt. So, it's cutting a couple of steps in the supply chain and putting that all into one you know, ready to use solution which reduces the overall error in the in the system, rather than having two or three individual components with their own margins of errors. This is built as. Single unit, which is then calibrated, and, you know, calibrated for certain errors within that unit as a ready to use part. Now this obviously has to take into account many factors other than just the shunt. There are the PCB mounted components which have to be selected, fine tuned, calibrated and then tested for long term stability. And you know, there are certain automotive standards that have to be met so, so that's the nutshell of the application which we have been actively working on. We've on a third series of prototypes now, which we should be closing very soon. And these would then be tested at the application level with various customers, which will then lead to small fine tunings, after which we should see these going into commercial production.

Dhiraj Dave:

Trying to ask, what would be the typical timeline from the prototype, pilot prototyping, to getting end consumer? Would it be a long 16-18, months or more than that?

Kabir Ghumman:

It should be less than 16 months. We've already covered quite a bit of legwork on this. The overall design is, I would say, about 85% majority level at this point. You know you can understand that these are automotive applications, and especially when you're moving from just a mechanical product to an electromechanical or even on a boundary of an electrical product, the quantum of test requirements and safety requirements exponentially increase. So keeping that in mind, there will be certain timelines associated with long term application testing, as well as design validation, as well as part validation testing. So there'll be first a series of tests which are going on right now, which are design validation, where, you know, these parts are subjected to various conditions that an automotive application will go through over 15 years of wear and tear, after which, provided all of these tests pass, these will move on to part level validation, where they're actually mounted onto into an engine way, or on the battery management system, and then they undergo a certain series of tests. These usually can go in anywhere from, you know, nine to 12 to 13 months, which changes from customer to customer. Some customers have a basic certain set of tests. Some will do some additional testing that can go into, you know, an additional three to four months of exposure. So I'm expecting this to be less than you know, 1415, months tentatively, is when we should be done with most of this testing.

Dhiraj Dave:

When we are doing assembly, whatever component we require, are we trying to make all those in house, or do we need to procure something from outside vendor as well?

Kabir Ghumman:

No. Some of these will be bought out parts. Some of some of the parts will be built in house. Some parts that go into the PCB will be standard bought out parts, because in many cases, these are pre-determined by the end customer. There are specifications that are already put in place. They may be using those sensors already in other applications. So, they prefer to have the same component use. For example, I would give you an example of a thermistor. Thermistor is just doing simply temperature measurement on a PCB. So those are standard thermistors which are already pre-qualified at an end user. So, we would use the same specification rather than, you know, reinventing the wheel.

Dhiraj Dave:

Thanks for answering in detail on that part. And the second question I have is a small one. Basically, we see a significant jump on Shunt business, another investor also with this question, so do we see which is the region, particularly in Asia? Because now, in fact, it made sense that at least you break up into Japan and China, if, if that is a kind of detail which, which segment of which part of geography in Asia, because now, in fact, that is larger than you, India and other Asia, rest of all is kind of larger than us. Market for so because we see, we see a significant jump in that region.

Kanav Anand:

Yeah, we've seen significantly grown our business in Japan, in Korea as well as China. And of course, a constant push is always to kind of maximize our revenue within India as well. So, these are the Asian countries where our current focus is and our revenues being increase in revenue is coming from.

Dhruv Jain:

Thanks for the opportunity. First question is on the Smart Meter opportunity, right? So, while the potential remains immense, could you just spell out what are the challenges to scalability here? And you know, by when do you think it will become a significantly large for Shivalik? You know, in terms of numbers?

Kanav Anand:

I think that we've already started seeing the numbers are rapidly increasing. In fact, we expect this year to be good for us, specifically in this specific application side. And I see that next year will continue to show us this year and next year will continue to show us good revenue growth when it comes to the smart meter side of the business.

Dhruv Jain:

How large can it be, in your opinion, for Shivalik, I mean, say, in three years, are we looking at, say, 100 crores, kind of a revenue from this segment?

Sumer Ghumman:

So basically, I think what we are looking at, you know, and to go back to your previous question, also, for a second, our biggest challenge related to smart meters, was about the relay, the latching relay, being manufactured here, which isn't which has been a welcome change in the last one year or so that a lot of this manufacturing has started taking place in India. A lot is still under development. So, we foresee this growth now, what we are experiencing in smart meter growth is disproportionate. We're experiencing a much faster growth than what the market is. Market is also growing fast. But what we're experiencing is something faster, because what we are supplying to is this change of the relay being manufactured here. So, you know, it's a little disproportionate, and we expected to remain disproportionate as we see more and more of the large volume players moving their relay production to India, and which some of the largest users, even today, are importing from China. So what you will be seeing in this number of this you know that what you mentioned, we should be seeing in, probably in a much sooner time than three years. So, the overall potential, we feel that if all government policies remain as expected, the overall potential for Shivalik can be upwards of 140 -150 crores. But in a very, very short term, in that 100 crore level or so, we should be touching because this year, anyway, this number is expected to be in the 70-75, crore range. So maybe another couple of quarters into the next financial year, it should be in the averaging to reach at reach that 100 crore number.

Dhruv Jain:

You are including both contacts and shunts, right, in this?

Sumer Ghumman:

That's right. And the same thing applies to the contacts as well. Our opportunity for contacts only opens if the relays are manufactured here, which is what is happening. Again, a slightly different thing in this, in this, in when it comes to contacts, is that we have, this is not just something that we alone as a manufacturer make. So, there are, we have certain level of competition. So of course, we can get a large share of the business because we make the shunt and because we are we have that advantage. But of course, we have some level of competition. So of course, there's, you know, value addition, difference, et cetera. But the opportunity is very, very big for the for the silver contacts as well. And we are doing that. We already, wherever we are supplying, we are already, either already supplying silver contacts or developing them.

Dhruv Jain:

Sure. My second question is on the new products, and I think related to the previous question as well, what we've seen is you spoke about the testing and validation, but I remember in the last earnings call, you said that there is a potential of about 150 crores, sort of number coming from the PCB a bit next year. Has the timeline changed? Or do you still feel that, you know, it can go full throttle in the next year?

Sumer Ghumman:

No, it can certainly go full throttle. It's just that, you know, at this point again, we are, we are in the prototyping phase. We are beyond the prototyping phase. We are doing smaller lots also at this point. So, we feel that, yes, we are still discovering some applications in the market, which, you know, some of them we hadn't even anticipated or expected. So, they're there, and we feel that in this year, if we if it goes more and more into development the year after, which is financial year 26-27 is where we feel we can look at revenue numbers related to that. And it's not just, not just the PCB mounted assembly, but that also includes certain other forward integration initiatives, but they're very similar. So, for example, when we when we are turning some of our strip business into parts, and then some of those parts into PCB assemblies, as well as other types of sub-assemblies. So when we combine all of those forward integration activities, that's what can take us to a potential added revenue of 150 crores in the financial year after this one.

Dhruv Jain:

So, but it's safe to say that, you know, nothing will come in this year. Everything is going to be in FY 27?

Sumer Ghumman:

There will be a certain percentage, I wouldn't say it would be more than what we target in that year, be in the range of maybe 10 to 15% of it, because most of this year goes, by in the development part of it. So we've taken that some business will come in the last quarter, and then those quantities will increase in the quarter, in the financial year after so it will not be an absolute no revenue, but it will be probably 10 to 15% of what we expect in 27.

Dhruv Jain:

So, for the America's business, right- So obviously there is that disruption or the potential risk of tariff, but you know that that business has been under pressure for quite some time, so if I have to just take tariff off for the moment, right? Do you think that that business can recover if tariffs were to normalize and go back to the kind of numbers that you guys were doing in say, FY 23 / FY 24?

Sumer Ghumman:

Yes, absolutely. And in fact, we are absolutely in that direction of doing so. We've seen recovery signs. In fact, I would say that we are in a far better position today than we were two years ago. Why I say that is because our exposure to one customer and one market specifically for these kind of products, was a lot more at that time, and as we speak now, that has been spread out a lot more, which means any large customer of ours, if their business was to drastically get affected, it's not going to hurt us as much as it did a few quarters ago. So, we are actually in a much more sustainable kind of a position when it comes to this particular area. And US definitely would be a, you know, would continue to be a huge market for us, but the exposure, again, to that geographical region has reduced drastically, not just not in value terms, but in percentage terms, because a lot of like Kabir, mentioned earlier, right now, that a lot of our development, and even kind of mentioned that a lot of our development for shunts has been in other regions, including Japan, Korea and what we are currently developing. Also, a lot of that development is coming from Japan. So as maybe another few quarters go along, we will notice that, you know, our geographic region will be spread out even more evenly.

Vikram Sharma:

So my first question is regarding I wanted to understand the size of domestic smart meter market opportunity and the potential margins will maintain same margins in that segment. Also, like context is lower margin business, and what kind of forward integration we are planning on the smart meter side? I think we have mentioned a few times.

Kanav Anand:

I would say, now we are, I would say roughly between 40 to 50% market share. So, there's still the possibility of doubling our existing share of business. And as the situation become more favorable, and with the capacity of, as Sumer mentioned, with the localized capacity to build more relays, we'll have a lot of potential market available for our products, and we are already seeing existing as well as new players building those kinds of capacities. So, we are very positive about that. And on the assembly

side, we have already kind of started working. And in fact, some of them have also started going into commercial production. We forward integrated some portion of our shunt and contact business, and that assembly work is already initiated, and you'll see more of that coming into our revenue starting third and fourth quarter of this year.

Vikram Sharma:

What is like when we add on double digit growth? So, could you say, give a breakup of like, what could be a growth in domestic market and export market?

Kanav Anand:

I think what we are targeting is somewhere between 12 to 15% overall growth, of course, certain export markets, as we just mentioned, the situation is a little dynamic, so it's a little difficult to predict and bifurcate in terms of how it would be between exports. But what we're looking at, now is the overall growth of anything between the number I just mentioned.

Vikram Sharma:

So, this, even like this, 12 to 15% growth on overall numbers easily. I think we are expecting proof smart meter market. So, we are assuming, like other, global environment, is still not very good for other markets for other products?

Kanav Anand:

Yeah, we are projecting that in the existing conditions, of course, if things change going forward, but now, as we said, that we have a robust order book and development process activities going on, so we are quite confident that we should be able to deliver what we are mentioning here right now.

Sumer Ghumman:

See also, and I'd like to add one thing you see, of course, everything as kind of also mentioned, and you also mentioned that things are very unpredictable when it comes to the what's happening, and mainly what's happening in the US. Now, even if those things were to normalize, we don't know what the impact could be, and nobody knows that, right? Maybe, maybe this puts an entire slowdown kind of a situation in the market. And, you know, things slow down, so we must be prepared for the worst. What where we find ourselves in a more comfortable position is that our business is a lot more spread out among product types, among industry, different types of industry within the shunt, environmental business. So, we feel that, you know, if drastic thing changes happen in one area, we still feel a lot more secure at this point of time. Rest Of course, if global things, whatever happens to them, you know, these us related issues, etc. Nobody can, you know, at this point, predict the outcome of that, and let's all hope that that remains or that does not get worse than what it already is.

Pratik Jain:

So my first question is on the bimetal segment we have been speaking in the past that there is an international peer, who has been marketing the market, and it was expected that a good chunk of that business will create an opportunity for us?

Kanav Anand:

I think if you see that our international business on bimetal side is already seeing good results. We've grown in most geographies, and we continue to grow, and we continue to expect to grow in this this direction, we have some very positive development activities happening in different regions and our product is, is drawing a lot of preference over, over, over our competitors. And I think we, we are, our current results are already showing that this is well in place now.

Pratik Jain:

So let's say, if 100 rupees of business is being vacated, are we able to get a good like a good pie of it?

Kanav Anand:

If you see we we're very much at added 18-20% market share. So, every 100 rupee generating, we are basically capturing 20-25, rupees. Our target is to kind of get a lot more than that. And with the capacity and capabilities that we have, we have this opportunity to grow even further.

Pratik Jain:

And so, my second question is, like you had explained, and also mentioned in your press release that the impact of tariff on shunt business is not there because it's in the exemption product right? Wanted to understand that, is it same applicable for the assembly business cause the incremental growth, which we are thinking about, of 100-150 crores by next year, is there any impact of tariff on that piece?

Rajeev Ranjan:

Actually, we released our press release on tariff when there was a base tariff imposed by America initially, and then there are so many changes have come up from American side, as far as tariff is concerned. So currently, if you see, as far as India is concerned, through exporters, there are some flat tariff, even reciprocal has increased from 10% to 25% and they have imposed 25% another due to Russian oil purchase. So eventually the total tariff for any exporter from India becomes 50% the situation has changed now, when we have released the press release and the time, we are discussing the subject, as of now, today, I. Of our product falls under 50% tariff. And earlier there was an exemption notification, but now they have withdrawn those notification. But we are not seeing any change in business, and we are hopeful that the business will continue and in the near term.

Pratik Jain:

Got it and given now our product, you know, is maybe 50% higher. So, what's the price difference? If, theoretically, I just assume that you know my there is a tariff that's going to stay what's the difference between our price on the landed cost, versus the other supplier for them?

Sumer Ghumman:

See at this point of time I'll address it in a slightly different way. Now, the thing is that if we split, if we if we separate this discussion into shunts and bimetal, you see the only damaging effect we foresee if these tariffs were to stay assuming that they don't get, you know, negotiated, or don't fall down, or, or some if they were to stay like this, then one, one threat that we see is, you know, it's related to a new development, which, of course, you know, because makes us 50% more expensive As compared to although, having said that, the other supplier who's based in the US also has to import raw materials because and that raw material, their raw material, also falls into this category. So the difference is not going to be purely 50% but it's going to be less than that, because, since the material cost is a major cost of major part of the overall cost, and that is going to attract duty as well, and plus a slightly higher manufacturing cost over there, when you see the total differential will be less, which means that it could be, it could have a damaging effect on new development, the future development. But when it comes to existing business as of now, from our primary customers for bimetal, we have been told that as of now there's going to be no chain first of all, because even they, they don't understand at this point, whether this is going to stay or not, so they can't take do they can immediate actions, but assuming, like you asked, that if these were to stay, yes, it can have an impact on new developments, but we see at this point a minimal impact on existing business, because the cost of switching to another supplier and developing with another supplier also is significant. So and even in beyond that, even if it continues beyond that, into a very long term, then what we have already started in discussing with our customers is that in order to keep the scale benefit or the volume benefit we have, if some of our US business was to be was to we were to lose it because of these tariffs, we must get some in exchange from some other geographical region. Since, as you probably already know, most of our customers in for bimetal are international, large electrical players. So, you know if Schneider, for example, or Eaton, if they if some of the US business reduces in order to keep the same pricing, we can work out a deal with them to give us something from another geographic region, because it's that's how you know it has a centralized system of working. So that's what our other strategy is in the worst-case scenario, to try and ensure that we retain as much business as possible, even if it doesn't come from the US and comes from some other region. So, when it comes to the shunts there, as we read, initially mentioned that a lot of our development and kind of had mentioned as well that a lot of our development is now for these components, is directly going to customers. A lot of 80 to 90% of that business is with Asian based customers. So, what are US based customers want us to do now, and we've already signed these agreements with them, is to supply finished components directly to those customers. Why? Why even have the US involved in between? Because of these tariffs, all those developments, of those conversions and changes, have multiplied in speed, because obviously now nobody in the US, the customer, will not want to pay such heavy tariffs, especially when the final product is anyway, going out of the US. So, so I would say, in the shunt side, these tariffs have been a sort of a blessing in disguise for us, because all these developments, which had a, you know, 18-to-24-month conversion process, have now been multiplied. Of course, we have a lot of pressure from the customer, and we must work.

People are working day and day and night, trying to make it happen in a shorter period, but in the long run, is good for us because all that development speed has been multiplied.

Bhargav Bhuddadev:

Thank you very much for the opportunity, and congratulations on a strong performance. My first question is on this PCP related revenue potential of 150 odd crores that we are targeting next year. So how much of this are we targeting, especially to US, if you can spend some time on that?

Kanav Anand:

Most of this is not, now for US based customers. It's basically for other parts of the world.

Sumer Ghumman:

And some of it that was initially being talked about as for the US market, as I just mentioned, also is, you know, converting into where it's finally use is going to be the final establishment, etc. A lot of it, the final usage was not there, although the opportunity exists. So, what we are targeting at this point is non US based business, primary, like a major chunk of this actually not, not a majority chunk, but a major chunk of this we're targeting within the Indian market, and some of it comes from our existing customers who buy these, these, these resistors, from us, where we see the opportunity of converting them further into these kinds of assemblies. So, it's a combination of different factors.

Bhargav Bhuddadev:

And within non-automotive, is it fair to say that we are also looking at potential semiconductor the customer set as well for this PCB related revenues?

Sumer Ghumman:

No. So it's mostly these assemblies that we are looking at, US is mainly for the automotive is, and some, some for even we are exploring certain assembly opportunities for smart meters as well, but that's still under development, but that's not a PCB mounted assembly. But when we you know, when we say 150 crores of added revenue from these, this forward integration, that does include certain assemblies which are non-PCB type assemblies as well. But the idea is that, you know, we want to convert some of our, or a larger portion of our shunt business, into assemblies. And a lot of that business would be PCB related, but the exact breakups and on how it will pan out, and what would be what quantity? Because there's, there's a certain business section of this business that we are anticipating and forecasting wherein we are still not 100% sure what percentage we can get, because a lot of that, a lot of those assemblies, are still imported from China and so, so you know, we're still in the process of seeing how much of that we can target and what our strategy would be.

Bhargav Bhuddadev:

And is it fair to say that as electrification sort of increases in terms of penetration in India, this opportunity can only accelerate for us?

Sumer Ghumman:

Yes, when you say electrification, you mean in the in the automotive space, yes. It can, in fact, not just that, but even when other alternate methods or alternate mobility is adopted, for example, hybrids, which we expect will come in a big way that also involves these kinds of assemblies. So yes, an opportunity is there now, when a company, let's say like Tata, Mahindra or Maruti, when they buy these assemblies in large volumes, they're not been buying these assemblies. So far, they've been importing the entire BMS from China, and with this localized not just China, but from other places as well. But let's assume, in an example, China. So the opportunity now opens up for us, because a lot of these manufacturers want to develop and are in the process of developing these kind of devices in India.

Bhargav Bhuddadev:

My second question is, on this strong growth of bimetal exports to the US. So is this more than challenge feeling ahead of tariff imposition. Or this is more sustainable in nature?

Kanav Anand:

I think the, as we mentioned earlier, bimetals are something which you can't really qualify overnight and develop. So, it's not basically, we don't really see it as an action for kind of before the tariff, or because of, because of the fear of implementation of the tariff. So, it's something which is very much there and required and sustainable.

Sumer Ghumman:

And these are coming from developments that, for us started two years ago. You know, absolutely, the entire bimetal process, not just by metal most of our products. You know, the entire prototyping, resampling, prototyping all the and then testing all those things that are, you know, like a two-year process or so, which I'm sure you probably understood by now. We keep talking about that and so what we may be getting as business now from a customer, whether it's in the US or not, is coming from maybe development that started in 2022-23. So, none of these decisions have been pushed because of tariffs. But which is where our fear lies, which is what I mentioned as a threat to us now because of these tariffs, is what we were targeting as further developments for something that would have happened in 27 and 28 those kinds of developments which were very important for us in the long run. We feel that, you know, these tariffs don't are not chained or not taken down. Can have an impact we don't have, we don't see, see that happening to immediate business.

Bhargav Bhuddadev:

And lastly, as we sort of develop scale in this PCB related, business exports also can open as an opportunity as we get more and more cost optimization through?

Sumer Ghumman:

In fact, one of the reasons why we decided to go down that route is not just because of, I mean, of course, it's a great business opportunity specifically for us when we make the key component used in it, but also because a lot of our customers demand that they want it like that, and few of our customers are buying our resistors and then eventually using another third party to do these kind of finishing assemblies. And then, because they don't, they want us to supply it like that. But so far, we did not have it as a part of a product portfolio. So yes. Export opportunities open up as well.

Bhargav Bhuddadev:

And here we also supply to the likes of Hyundai Kia as well, or only local customers, like, say, Maruti or Mahindra?

Kanav Anand:

No, we do supply to Hyundai and Kia, of course, presently, 100% of Hyundai cars made in India using our product.

Bhargav Bhuddadev:

And some export as well, right?

Kanav Anand:

Of course, export as well.

Naushad Chaudary:

If I look at the business for next three, four years point of view, how do you think your business mix should look like from a revenue mix point of view and the existing and utilize capacity. What do you think? How much time will it take to, you know, ramp up fully? So, assume we are setting in FY, 28-29 how the business should look like for you?

Sumer Ghumman:

So, I think when it comes to looking at 3-4 years or 5 years, from now, things would be very different we feel for the in the in the resistor side, because we'll see a lot more growth beyond a certain point coming from there. In thermostatic, we were anticipating certain amount of growth coming, because our biggest target to take larger chunks of business for all of us from the US. So, where we would be in 28-

29, for thermostatic by middle, depends a lot on how these geopolitical issues and the US thing pans out, because that does have an impact in the long run, as I just mentioned. But when it comes to shunts, we feel that, because of these new applications and these things, smart meter push, which we which we hope, should continue onwards all the way till 28-29 and beyond, looking at all of those things, we will start, we'll reach, we'll cross a point maybe in 27 or so, 26-27 middle of 27 wherein we'll start multiplying faster in the in the resistor space. So, we'll probably have to add more capacity at that point of time. And so, we by 28 I think we should be in a situation where shunt manufacturing capacities should be entirely used up and bimetal maybe we should be in the 66- 60% hopefully, assuming that we can, you know, get back to a normal situation, at least part partially normal situation in the US. So, yes, we feel that by then we have, you know, what we where we are today- you know, if you look at a certain percentage of growth, we should be in a situation where we should be, at least maybe, you know, anywhere between two to three times of where we are today. But keeping in view all these forward integration activities, top line additions. We don't see any reason why that should not be the case. Other than that. Interestingly, you know, other we are also working on other new verticals which should have taken shape by then, of course, because some of those things are, you know, we've already finalized, but there's going to be set up in another year or year and a half. By then, we should have added revenue coming, maybe not a major portion at that point, but we should have some revenue coming from there. So, we expect, you know, some kind of new product verticals to be fully functional and adding to revenue by then as well.

Naushad Chaudary:

On the forward integration. You have touched upon the one-piece auto PCB you have talked about, slightly touched upon the smart DC sensor and indicated your wish to get into smart meter or PCB as well. Apart from this, any other project which you want to highlight, which you are working on, which can be the growth lever for you after one or two years?

Sumer Ghumman:

Yes, we are working on these. I think Kabir will be able to expand a little bit more on it, but I'll just start it on a new product vertical which is related to our business. They are basically bus bars and battery connectors. So, the battery connector application is a very interesting one, and we are at a very advanced stage of that, developing that. So I think if you can just touch up a little bit on that.

Kabir Ghumman:

So, it's, again, it's completely new vertically. It does use our existing electron beam welding technology, where it's a set of different sizes and shapes of busbars that all combine into one unit, which is then connected to a cell pack, which would go into various types of two-wheeler, three wheeler applications. What makes it also unique is being electron beam bended and having the flexibility of using different materials, electron beam welded together. You can then play around with various properties and parameters of a bus bar, which is otherwise not possible using a single, conventional type of busbars. So, as Sumer said, these are, you know, they've gone through over the last, you know, months, it's gone through various cycles of iterations and different types of variations have been made to the

design, and it has now reached a stage where the finished facts have been sent to the customer. They are under testing. We are now going for a small production lot, which we expect to complete within September, which will then go into further testing. So, it's a little early to go into further details on this topic, but it is a brand new vertical. We are very aggressively working on it. And obviously, potentials are quite strong.

Naushad Chaudary:

And would you be able to share the understanding of a total addressable market for this kind of product?

Kabir Ghumman:

I think Sumer, at this point, it'll be a little early to say that, right? We still have to gather some more feedback on this.

Sumer Ghumman:

Also depending on which a lot, depends on which all types we finally decide to include in our product portfolio. So a very, very rough number to put on this would be that the immediate types that we were thinking of, of adding, we see that in the next two or three years, those parts, those things, have a potential or addressable opportunity, market opportunity, immediate opportunity, of, you know, roughly about 2000-2500 crores now, what percentage of it finally we can get out of that, you know, will depend on a lot of which ones we try, which ones we do, which ones fit the most with our, you know, with our current processes as of now, it looks encouraging that a lot of them do, but we are still in the stages of development. So, we've you see, what we've started doing is we started developing two or three different types. So, Kabir, if we were to put out of that 2000-3000 the ones that we're initially working on would be, what percentage, let's say?

Kabir Ghumman:

I would say about 15% or 10%.

Sumer Ghumman:

So initially we can target this, you know, 200-300 crore kind of a level, and let's say that over the next three years. And since you asked about a FY 28 kind of a scenario, we, you know, one could safely say that it could be possible to get 50,-60% of that kind of revenue. So that is what we are looking at. And if we push it faster and there are ways and means to do that, you know, we'll touch upon a slightly different topic, in order to make sure that these kind of developments, because they are interesting developments that are taking place, but so we are, at this point of time, dedicating, making a completely new, dedicated Development Center R & D 'Center of Excellence', and probably based out of, you know, like the NCR region, which we are now in the process of finalizing, we have even hired a new team of people in the finalization of hiring those people, but it's almost done so, so that these kind of

core product projects are absolutely, you know, they progress with, with great priority, because we can, we can see this is something that we have specialization in, and we can, we see this market, we don't see anybody else coming into this in India. So, this is a huge chunk of that 2000 crore is possible for us to capture, provided, we do a standalone development for this, irrespective of other growth. What's happening at this point of time? We are going through a situation wherein a lot of developments are happening with our existing products as well. So, we felt the need to completely segregate these other developments and a separate team. So, we've been so far successful in creating that distinction. So we feel that once the team is ready and in place, which is, you know, no matter of months from now in this location, we should move much faster with these kind of developments, and they will no longer be going along with the with the existing one. So, when I say 27-28, we could see, hopefully, a larger chunk of that business coming in from these bus bars and battery connectors.

Yashowardhan Agarwal:

You have guided that we can do around 70 to 80 crores of revenue from smart meter. So, what was this number last year?

Sumer Ghumman:

40 crores, so it's nearly doubling in value.

Yashowardhan Agarwal:

Okay, so if I look at the deployment of smart meters, that had increased a lot, moving at around one crores per quarter. So if I take the annual number, that would be around 3.5 to 4 Cr, and per kilometer, opportunity for us is around 100 rupees. So TAM for us annually would be around 350, 400 crores. And in that, we are targeting 70 to 80 crores. And next year it could be 100 and 120 crores?

Sumer Ghumman:

Actually, the thing is, see, meter implementation, as well as meter manufacturing in India, has an impact on our business, but it's not directly related at this point, because our business is related to how much percentage of latching relays that go into these meters are produced here. Now, to give you some perspective, two years ago, a lot of meters were manufactured in India, but the latching relays were all imported. Or when I would say all imported, means 80 to 85% imported. So our business was much smaller. Now, our business from 10-12, crore level jumped up straight to a 35-40 crore level. Now, meter manufacturing did not become three times in that period, whereas latching relay production increased drastically. So, our business increased those many number of times. Now, same thing is happening now, even, even as, as we speak, as kind of also mentioned, only 40 to 45% now of the relays are now being produced here. That also now, when we say now means in the last three or four months, this push has really, really started, because people started developing seven- eight months ago. So now the manufacturing is already, as we speak, beginning, and we are getting these very encouraging forecasts from customers. So for the next coming few quarters, at least or four or five, maybe even up to three, four to five quarters. I would say, this will continue to happen until we reach

that point where 80- 85% of these, these relays, are being produced here. Then our business will get more and more directly linked with the meter implement, implementation and installation. Right? Is that, is that correct, right?

Kanav Anand:

This is, yeah, that's correct Sumer. And I think, I think what, what we are, what he's also missing, is that, that it's not just the shunt alone, but including, if you add the contact, it's a lot more than the 80 crores that we're talking about. 70-80 crores is just that.

Sumer Ghumman:

Assuming that we get a smaller share in that because of competition, etc., this size, but because overall value is more, so it comes to about a similar number. So yes, at some point, maybe what you're asking will become it will become more valid, or more like that, maybe in about a year, a year or so, because I think for another year or another four, five photos. Like I said, we would expect to see a large portion still coming. So large portion of relay still coming from China. The push is there, everybody's you see, because it takes time to create capacity, also to manufacture so many relays in India. And a lot of the meter manufacturers first were. Prioritizing setting up capacities to make the meters rather than the relays, or work on the relays, because their main aim was to start at least, they said, okay, we can always get the relay from China, but let's make the meter. And now, of course, because of the Make in India portion, the percentage value that comes from the relay, is very important for them to make the relay here as well. So we are absolutely in the right direction when it comes to that. We're finally in a situation where it's we're seeing that growth because of the relays being manufactured here, correct?

Yashowardhan Agarwal:

So even if at all, we are taking 50% market share of failure being made in India, so that still presents us an opportunity of 200 crores, correct. So we are targeting 50, 60% of that, or at 50%?

Sumer Ghumman:

It does I mean, and let's say that, you know, the shunt value in that is about 40% so yeah, exactly that turns to about 80-90, crores potential in a shorter period. And we and then the rest from contacts. But contacts, we usually, you know, we are dividing that market between four players, or five players, four players, maybe. And so, we would take a smaller, smaller number there. So, it would probably result in a more realistic number, like 125-130 crores, which we are absolutely, if you see the chart, it's exactly going in that kind of a direction.

Yashowardhan Agarwal:

Just one last question from my side, can you please give me the breakup of export volume and what was it last year?

Rajeev Ranjan:

So, I have the total number, I can give you total sales for the export in tons is around 251 tons. And next question was regarding which number?

Yashowardhan Agarwal:

No sir, export numbers volume in tt's. What was the number's in this quarter vs last year?

Rajeev Ranjan:

So last year, the whole year was 1000 metric ton, and this quarter is 251 metric ton.

Yashowardhan Agarwal:

Okay, so are we witnessing an increase in realization on the export part?

Rajeev Ranjan:

Yes, of course, initially, as I explained about the biometric realization, it was due to the increase in export market. Because whenever you are exporting, you are making a big the valuation more compared to the domestic market.

Deepak:

So if I look at you know, YoY growth rate in the past three quarters, we have seen a decline of seven to 8% which in this quarter have moderated to around minus 3% right. And if I look at the listed peers, you know, they are in switch gear segment, are reporting growth of 8 to 9% right, and we claim that we have around 80-85% domestic market share in Bimetal. So how is that that, if the end consumer is growing at eight to 9% right? And we claim that we have 80% market share, that our growth rate is kind of declining, and do we have that order book visibility for us to grow at? Let's say at least a mid-single digit for the next nine months in FY 26?

Kanav Anand:

To answer your question, let me break it in two things. First of all, last year, if you look at the volume from the volume perspective, we grew, even though the revenue perspective, we did not, because the metal played and played a role in the domestic market for the Bimetal side of the business. Whereas when it comes to this year, of course, there is a moderate 2 to 3% decline in the overall business. But when it comes to the customers, as I mentioned earlier, also I think, where we generally can kind of get confused is that customers like Schneider and Siemens are not just making products. We just use bi metals. They make several switch gear products, whereas the products where the biometrics are going in, where we supply or we may fall apart as a supply chain to them, , those verticals, those

product lines, have kind of moderated for the last two to three quarters, but the numbers that we've been projected, or what have been projected by them for the next three quarters, of course, we have the numbers with them, and. And based on those projections and numbers, we anticipate that we will be a closing in a in the expected growth percentage that we mentioned earlier.

Deepak:

Okay, now coming to a revenue growth number for both bimetal and shunt. So this quarter, if I look at the split between your volume and realization growth. So bimetal has been fairly even at 4 and 4% right? But in shunt register, we are looking at an volume decline of 3% while our realization has kind of backed it out very well at 13% so just wanted you know some flavor on what is leading to this sort of realization, and what is the outlook for, let's say, the volume growth of both bimetal and shunt register for FY 26 and what kind of realization growth are we looking at?

Sumer Ghumman:

I think Rajeev that should be because of the strip being or more parts being added. Because, yes, vary a lot because the components can vary from large size to in a nutshell, our component business is growing faster than the business. I think Rajeev, you can add a little bit more.

Rajeev Ranjan:

So the one reason is, as you rightly explained about, the component business is more than the parts business, strip business. And the second thing, if you see in the last year, on year LME, movement is around 4.5%. And similarly, the movement in dollar is around 3.53% so this all is factoring whenever we are talking about the realization per se.

Deepak:

What is the volume growth outlook for bimetal and shunt register for this year?

Rajeev Ranjan:

So even if we talk about the last year, growth in the bimetal volume is around four and 7.4% which is very healthy. If you add the LME movement for the last year, that will add on 3-3.5%. So overall growth is around seven to 8% in the bimetal segment. Similarly, in in shunt register, if we see this quarter, is somehow 1.5% in the volume growth, whereas we have around 7% in the value growth. The it is due to the movement of this LME and the currency movement.

Deepak:

That's fine. I'm asking about what our volume growth outlook is for both these segments?

Rajeev Ranjan:

So, as we have initially explained about, our double-digit growth in in both the segments combined, and we are hopeful that there it is. What we are concentrating on, is the volume first. So, we have projected our volume growth around 7 to 8% minimum to achieve those double-digit growth in value.

Deepak:

Okay, and our electrical contacts, that new facility- has it come on stream. I think it was supposed to come in Q2 of this fiscal year, correct?

Rajeev Ranjan:

Yes. So, it is in the final stage of the factory is completed now. Now we are in the process of gradually movement or shifting of our process from the existing unit to the new unit.

Harmanjot Singh:

So, my first question is, on the margins of these forward integration plans that we have, the 150 crore number, for example, that we are talking about, so the margins in that business, would it be similar to our existing business? Considering the existing business is a product business, and that is sort of an assembly business, so value add might be lower there. So, if you could elaborate more on the margins there, that's the first question.

Sumer Ghumman:

So, it will have a slightly lower gross margin. But because the top line value is many times more than the shunt alone, it more than makes up for that difference. To give you an example, you know, if we have a gross margin of, let's say for 50% average, or in some cases, somewhere around that number, you have a gross margin of that in a regular shunt. This could have a maybe a 35% gross margin, but it can be about, in some cases, ranging from seven, eight times, but in some cases, going up all the way to 20 times. So, let's say an average of 10-12, times the top line value. So, at a slightly lower, or as at a low gross margin, but a very high top line potential. We feel that it's a very, still a very, very sensible business for us to do, especially because of. Strategic value of it more than anything else. I mean, of course, from a numbers point of view, it makes sense. And we also see this as a sustainable business, because it's not it's not exactly a commodity process, that process that we are doing, otherwise it won't have these kinds of margins. But there is a certain technical barrier in making assemblies like this. We have a, the main component in this, or one of the key components in this, that is our welded shunt resistor, is since that production of that is in our control, and since we have the expertise on that, it does give us an edge over anybody else trying to make an assembly like this by buying that similar shunt from somewhere else. If you look at it from the end user point of view, they will much prefer that the person who has the manufacturer, who has managed, who's made the shunt, and has the expertise on the shunt is making such as empties. That is why we chose, out of the many, many forward

integration opportunities that we get on almost you know, monthly basis from our customers, we have never, sort of entertained any other one, because we consider a lot of those, those type of assemblies. Ah, simply a commodity, kind of a putting together, kind of a process, which we don't want to get into.

Harmanjot Singh:

So, a second question is more on the line of this PCB assembly. So, so we have seen there are many players in India as well, someone like a Keynes, who are also doing PCB assembly for automotive players, but, but they are doing it for maybe for different parts, maybe for some of the lighting parts, some of the battery management system parts as well. So going forward, would we just stick to the places where our product goes into, for example, a shunt resistor, or does that also open up an opportunity?

Sumer Ghumman:

That's what we want to avoid falling into that, because that's a process a lot more people do. So we if we get into that, you know, we're going away from our core. We don't want to go too far away from our core. We wouldn't want to get into something like that. Now, what we would rather get into, and the kind of new options that we're exploring, would be products similar to our shunt resistors, which means that there's a slight there is a certain kind of a complicated or a difficult to replicate, kind of a metallurgical process happening, which is not something that can be easily done by too many other manufacturers. We want to keep that ethos as part of any of our new products. So like I said, there are many tempting opportunities that come up which can take our top line to three times, four times in a very short period of time. If you want to being in this industry, supplying to customers extremely large in size, you can imagine, we get such opportunities, but we don't. We don't fall into that temptation, because we genuinely believe that those margins are not sustainable, and eventually they come down to commodity type margins. We as a company are not okay with going down that route, so we want to be somewhere in the middle. We don't want to all create a barrier, also by not looking into large addressable opportunities at all, but we want to, you know, maintain that core resource and but we also want to look at things which can add more value. So to like, for example, today, we have three product verticals, we would like to have probably another four or five such product verticals where there is some entry barrier.

Harmanjot Singh:

So, so is it fair to say that even after the forward integration initiatives our blended margins should stay maybe upwards of 20% plus, or somewhere there?

Sumer Ghumman:

That's what we would want to do. But what we are seeing, see our aim is, of course, we are not, we don't have a threshold that we are not going to go below this if an opportunity is very good and strategically very important for us. Silver contacts, for example, silver contacts, we always knew were a lower margin business, but strategically it's very important for us. It goes along with it goes along with bimetal. Bimetal is a very limited market, so having contacts alongside bimetal really helps the bimetal business also, as well as bimetal help the contact business. So, you know, it was a strategic importance. So, we do look at opportunities where there's some other importance, some other indirect benefits involved. But what we're looking at is that in order to still maintain some kind of a threshold, we don't want to go below our current lowest margin product. So, something that's probably falls into the most commoditized product, or most low margin product that we currently do, I don't think we would want to do anything lower than that. So, we so yes, our mix sort of target margins would remain in this you know, 20, maybe some ranging from a lower side would go to like, let's say 16-17% EBITDA margins, as opposed to, let's say what we do at about 22-23 at this point.

Rajeev Ranjan:

Thank you all for your time and thoughtful questions. Our FY 26 focus is sustainable, profitable growth through a strategic execution, scalability, assembly level solutions, speeding innovation through the Center of Excellence and staying tight on operations. Thanks again for your support and for being part of Shivalik Bimetal's growth journey.

Moderator:

Thank you. On behalf of Shivalik, that concludes our earnings webinar for Q1FY26, for any remaining questions, you can feel free to write to us at Dickenson. Please also take a few minutes to complete a directed survey for your feedback. You should receive it after this call. Thank you everybody for joining us and thank you to the management for their time today, you may not all disconnect your lines. Please have a pleasant evening.