



SALZER ELECTRONICS LTD

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August 14, 2025

To

THE CORPORATE RELATIONSHIP DEPT
BSE Limited
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Symbol: SALZERELEC

Dear Sir,

Sub: Transcript of the Earning Call on the Results of First Quarter / Three months ended 30.06.2025.

We wish to inform in pursuance of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 that the Company hosted an Earning Call with Analysts and Investors at 02.30 p.m., on Monday, August 11, 2025 to discuss the financial results of the Company for the First Quarter / Three months ended 30.06.2025.

Enclosed herewith the transcript of the same for your records and dissemination.

The transcript of the conference call also posted on the Company's website at www.salzergroup.net.

Thanking you

Yours faithfully
For SALZER ELECTRONICS LTD

K M MURUGESAN
COMPANY SECRETARY

Encl : As above



Salzer Electronics Limited

Q1 FY26, Earnings Conference Call

Event Date / Time: 11/08/2025, 14:30 Hrs.

Event Duration: 54 mins 43 secs

CORPORATE PARTICIPANTS:

Mr. Rajesh Doraiswamy

JMD Salzer Electronics

Mr. P. Sivakumar

Assistant Vice President (Marketing)

Mr. P. B. Bellary

Assistant Vice President (Business Development)

Mr. S. Venkatachalam

General Manager (Commercial)

Mrs. R. Menaka

General Manager (Accounts)

Mr. K. M. Murugesan

Company Secretary

Mr. Jitendra Vakharia

Director, Kaycee

Mr. Raman

Executive Director, Kaycee

Mr. Vinit Agarwal

Aditya Birla Capital

Ms. Savli Mangle

Adfactors Investor Relations,

Moderator

Ladies and gentlemen, good day, and welcome to the Salzer Electronics Limited Q1 FY26 earnings conference call. 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 touch-tone phone. I now hand the conference over to Mr. Vineet Agarwal from Aditya Birla Capital.

Vineet Agarwal

Thank you, Karthik. Good afternoon, everyone. On behalf of Aditya Birla Money, I welcome you all to the Q1 FY26 Post Earnings Conference Call of Salzer Electronics Limited. This conference call may contain forward-looking statements, which are based on beliefs, opinions and expectations of the company as of the date of this call. These statements are not guarantee of future performance and involve risks and uncertainties that are difficult to predict. I now invite Ms. Savli for opening remarks to be followed by question-and-answer session. Over to you, ma'am.

Savli Mangle

Thank you, Vineet. Good afternoon, everyone, and thank you for joining us today to discuss the unaudited financial performance for the quarter ended June 30, 2025. I have with me Mr. Rajesh Doraiswamy, Joint Managing Director; Mr. P. Sivakumar, Assistant Vice President, Marketing; Mr. P. Bellary, Assistant Vice President, Business Development; Mr. S. Venkatachalam, General Manager, Commercial; Mrs. R. Menaka, General Manager, Accounts; Mr. K. M. Murugesh, Company Secretary; Mr. Jitendra Vakharia, Non-Executive Director, Kaycee Industries and Mr. Raman, Executive Director, Kaycee Industries.

I shall now take you through the stand-alone financial performance for the quarter ended June 2025. During the quarter, our revenues increased by 25% YoY to INR 432 crore from INR 347 crore in the previous corresponding period. This growth was mainly driven by higher demand for Industrial Switchgear, and Wires and Cables business divisions, mainly on account of high demand products like three-phase dry-type transformers, wire harnesses, relays and new products like contactors, etc.

The EBITDA excluding other income was INR 41 crore, a YoY growth of 32%, mainly on account of increased sales in higher-margin switchgear products, and wires and cables business. EBITDA margin for the quarter stood at 10%. Profit after tax INR 18 crore, a YoY growth of 33%, while the PAT margin stood at 4%, a YoY improvement of 25 basis points.

Moving on to breakup of the revenue as per business divisions.

The Industrial Switchgear business contributed to 55% of our total revenues this quarter. This business grew 31% YoY and 14% QoQ in Q1 FY26. The EBITDA margin in this business stood at 14% for the quarter. The Wire and Cables division contributed nearly 41% to our revenues this quarter, translating to a 17%

YoY and at 27% QoQ growth in this division. The EBITDA margin stood at 5%. The Building Products division contributed to the balance 5% of our revenues.

Coming to the exports, we continue to see steady growth mainly due to higher sales in North and South America, Europe and Asian countries. During this quarter, exports to Europe grew 19% YoY, Asian countries grew 21% YoY. For the quarter, the export share of our revenue was nearly 24%. The growth in exports revenue translated to 14% YoY and 20% QoQ.

Thank you. And I'd now like to hand over to Rajesh to take us through our business development and the way ahead.

Rajesh Doraiswamy

Thank you, Savli. Good afternoon and thank you all for joining us today. A very warm welcome to everyone joining this conference call of Salzer Electronics Limited for the first quarter ended June 30, 2025. I hope I am very much audible for all of you. I appreciate you all taking time to be with us today.

Our results update presentation and media release have been shared and Savli just shared the financial numbers to you, and I trust you will add the opportunity to review all of them. I would like to take you through some key updates on our recent developments and our outlook for the future.

We are operating in a very dynamic and rapidly evolving global landscape, driven by accelerating infrastructure development, smart new technologies and electric mobility revolution. Indian electrical market is on a steady growth trajectory as we have told in the last quarter. The market is valued at approximately \$14 billion currently and is expected to reach close to \$20 billion by 2031, implying a healthy CAGR of close to 6%.

Similarly, the broader electric equipment market is projected to grow at 15% CAGR from the current \$95 billion to grow to \$25 billion from 2025 through 2029. This surge is fueled by rapid urbanization, renewable energy integration and government-backed infrastructure initiatives.

There is growing adoption of smart switchgear equipped with real-time monitoring analytics and automation that enables safer, very efficient power distribution, especially in the smart city environments. Smart meter is also seeing significant traction with technology enabling more efficient energy management, predictive maintenance and grid optimization.

On the EV charging market, also is growing at a breakneck speed. India alone is set to grow from \$92 million in 2024 to \$750 million by 2030, nearly 43% CAGR in the next 6-7 years. While globally, it is heading towards \$76 billion by 2032. OEMs and fuel retailers across the country are expanding aggressively and Tamil Nadu is emerging as a manufacturing hub with major investments from leading players.

From a trade perspective, I think the latest development is the U.S. tariffs. Post our results, we have seen what has happened, while the higher U.S. tariffs present a near-term headwind for exports to USA, industry experts believe India's robust infrastructure pipeline and manufacturing-led growth will help cushion the impact over the medium term. For Salzer, we have 7% direct physical exports to USA, which will have an impact in the short term. Apart from this, we also see an impact of approximately 3-4% in the

indirect business. However, our diversified market presence and product spread will help us to navigate these shifts effectively and sustain our growth trajectory.

Now coming to our key updates on the recent developments, I would like to start on the smart meters. In our smart meter business, we remain encouraged by the progress following the INR 50 crore order that we secured in Q4 of last financial year. While the execution in Q1 was limited to approximately INR 2.2 crore due to the customers' readiness for field installation, the product is fully prepared for delivery and the customer has reaffirmed their commitment to clear the entire order in Q2 of this financial year.

We expect the next set of INR 50-crore order to come through anytime in this quarter or in the early next quarter. That said, I would also like to address the expectations openly. When we had earlier guided towards the possibility of INR 1000 crore revenue in smart meter sales, it was based on the then available visibility of tender awards, demand-supply gap and planned deployments by our customers. However, as we entered this business and as the year unfolded, it has become clear that the industry-wide field level challenges, including installation readiness, coordination with governments and DISCOMs, infrastructure preparedness are impacting actual rollouts for all the players across the sector.

You all must have seen various news reports in the previous months about the actual deployment of smart meters being less than 10% of the total demand. As a result, we revised our revenue estimates for FY26, which has drawn a lot of criticism in the market. We want to emphasize that this is not a reflection of our execution capabilities or market position. Our technology, our capacity, capability and the product readiness remain intact and competitive. Our smart meters have been tested and passed for the highest quality levels.

In business, in real-world execution often has dependencies beyond our direct control and this is a classic example. We continue to work very closely with various AMISPs and other stakeholders to support faster deployments and we are very confident that the strong underlying demand for this product will translate into substantial growth over the medium term.

Our commitment to being a leading and trusted smart meter partner remains unchanged. I say that further guidance on this business will be given by us as things evolve over the next quarters. On EV chargers, as you all know, our initial joint venture in this space didn't take off as planned, but we didn't step away. We quickly reworked our approach and have now successfully entered the business on our own terms, and we can see the results now.

In Q1 FY26, we have sold close to 50 chargers in Indian market and we are also in talks with large Indian multinationals and other entities for long-term partnership for this product. With the market momentum and our new model of business, we see strong potential to make EV chargers a meaningful part of our growth story along with our partner company, Ultrafast Chargers Limited.

Further to entry into speed sensors five years ago, we are pleased to announce now the development of a new temperature sensor tailored for the automotive industry, making another milestone in our product innovation journey. This sensor is currently undergoing validation with two leading tier-2 automotive OEMs and we are encouraged by the progress so far. We anticipate commencing commercial supplies from Q4 of this financial year, which will open up an additional and promising revenue stream for Salzer further strengthening our position, not just in the automotive solutions space, but also in the HVAC, home appliance and medical equipment space.

Furthering the INR 192-crore energy-efficiency project awarded by Bengaluru Corporation last quarter, we are pleased to share that Salzer through our only owned subsidiary Salzer EV Infra Private Limited has partnered with our consortium, Schnell Energy Equipment's to form an SPV called Effilume Private Limited on May 31, 2025. This SPV will execute this Bengaluru Corporation project, which includes implementing our in-house developed energy management system and replacing conventional street lights with energy-efficient LED lights across parts of Bengaluru, thereby reinforcing our commitment to smart city initiatives and national energy efficiency goals

As far as our subsidiary Kaycee Industries is concerned, Kaycee's top line grew 10% YoY in Q1 FY26 to INR 14 crore from INR 13 crore last year first quarter. EBITDA was at INR 2 crore in Q1 FY26 and PAT was at INR 1 crore in Q1 FY26. The EBITDA and PAT margins are healthy for Kaycee.

With a strong balance sheet, growing market and operational efficiencies, Salzer Electronics aims to deliver sustainable profitable growth while capturing emerging opportunities in energy efficiency electrification and smart infrastructure. I sincerely thank the entire Salzer Electronics team for their unwavering dedication and hard work and express my deep gratitude to all our stakeholders for their steadfast trust and support in the company's journey.

This is all from our side for now. I would like to thank you all very much for your time and attention. We can take questions now.

We have a first question coming from the line of Deepak Poddar from Sapphire Capital. Please go ahead.

Deepak Poddar

Thank you very much, sir, for this opportunity. Sir, I just wanted to understand first upon your two businesses on smart meter as well as your DC chargers. Now, given the delay you have mentioned, and I think we are expecting more orders, but I mean, as of now, our order book still remains at around INR 50 crore.

So, how do we see this entire year, we were looking at some INR 500 crore kind of execution. So, now how should we see it? Are we willing to revise it downwards? And so what sort of range one should look at now?

Rajesh Doraiswamy

I think whatever is the guidance that we have given in the last quarter remains intact. So, we are working to see how we can get to that level of around INR 400 crore is what we guided last quarter. So, we remain there and we are pushing to see how we can get that order. And the recent development is also the Tamil Nadu tender is out and people are going to win those bids. So, that will be an additional pipeline for the AMISPs. And we being a local player of manufacturer, we should be having advantage over the rest of the smart meter manufacturers. So, that's another thing that is a new development that has happened.

Deepak Poddar

And how big is this, the Tamil Nadu one?

Rajesh Doraiswamy

Tamil Nadu, the total tender is around 3 crore meters.

So, there are many participants as of now, but we'll have to wait and see who wins the bid for how many packages. And then we will.

Deepak Poddar

So, won't you take time? Do you expect Tamil Nadu revenue can come this year itself?

Rajesh Doraiswamy

No. I think orders will come in this year, but revenues will start next year because the implementation will start next year.

Deepak Poddar

Okay. Yeah. So, that's what I wanted to understand in terms of if you still want to maintain that INR 400 crore kind of execution in smart meters this year as well, but in terms of visibility, still the visibility remains below.

Rajesh Doraiswamy

Yes, visibility still seems not there today, but we are hopeful of having some visibility in the coming quarters.

Deepak Poddar

Okay. So, what sort of pipeline one can expect in terms of order pipeline from this INR 50 crore currently we have?

Rajesh Doraiswamy

No, I think in the call, I mentioned that we are expecting the next set of INR 50 crore order from a same customer anytime this quarter. So once it comes, then we will have more visibility from the customer on how he is going to place the order for the rest of the year.

Deepak Poddar

Okay. Fair enough. And what sort of EBITDA margins one can look at in the smart meter business?

Rajesh Doraiswamy

We are looking at around 12-13% EBITDA margin in this business.

Deepak Poddar

12-13%. Okay. And my second question is on your DC charges. We have sold around 40. So what sort of ASP we see per DC charger? And are we still targeting 1000 DC chargers selling in this year?

Rajesh Doraiswamy

Yeah. I think the value per charger ranges between INR 6 lakh to 13 lakhs. I think that's the range that we sell for DC power chargers. And we are also selling AC chargers, which is less or less per charger. So, that's the value that we are looking at.

On thousand chargers, think we are talking to various large entities for a long-term partnership. So, we expect once the understanding with the companies come through, then we will receive volume orders from them. I think that's where our confidence of selling this volume comes up.

Deepak Poddar

Okay. But this 1000 remain intact?

Rajesh Doraiswamy

Yes.

Deepak Poddar

And what sort of margins one should look at in this business, EBITDA margins?

Rajesh Doraiswamy

I think the operating margin here will be close to again around 12-13%. But the initial volumes, I think we will not be able to expect that margin because the threshold volumes have to be reached.

So, it is still a new business, new entity, so we will have to wait. But on a steady long-term basis, it should be between 12-13% again.

Deepak Poddar

Yeah. And this margin at what volume level we can see this kind of margin? Currently, the scale would be small, right?

Rajesh Doraiswamy

Yes. I think when we reach a scale of around 60-70 chargers a month, I think they should be able to see this margin.

Deepak Poddar

No, no. Come again, sir. I missed that.

Rajesh Doraiswamy

60-70 chargers a month manufacturing.

Deepak Poddar

60-70 chargers a month. So, this year only, we are targeting 1000, right?

Rajesh Doraiswamy

We have to reach that.

Deepak Poddar

Okay. And just my final question is on your tariff side. So now, have you started seeing the impact of tariff? What sort of impact we are seeing? So, can you throw some more like that would be very helpful.

Rajesh Doraiswamy

Right now, I think we are seeing a knee jerk reaction by all the customers because a 50% tariff is way too high for anybody to absorb in the market. So right now, I think some customers are taking action of taking the shipments quickly before the tariff kicks in. Some customers are postponing their shipments asking us to hold. So, there are multiple things, one.

Secondly, there is a confusion that prevails among the customers itself, not knowing how this is going to impact or how long this is going to last. So as of now, I think there is no clear indication on how this is going to be dealt with. But I'm sure I think, on immediate short term, I think customers will find a way to see how they'll be able to overcome these tariffs. But having said that, I think we will have to expect a minor impact on the revenues to US if 50% remains.

Deepak Poddar

Understood. And any margin impact also we anticipate because of this?

Rajesh Doraiswamy

No, think because the revenue to US is just 5% of our total sale. So, we won't see a major impact for us because we will be able to offset that with the growth that we are seeing in the current year. That should not be a problem, but I think as a country, we will have a lot of indirect impact on the business and the economy.

That might impact the growth of not just Salzer, but the growth of the all other companies. Now, that is the more worrying factor than the direct exports that we do.

Deepak Poddar

Fair enough. I got it. I understood. That's it from my side. All the very best to you. Thank you.

Rajesh Doraiswamy

Thank you.

We have the next question from the line of Mr. Bhagwat N. from Prosperity Wealth Management Private Limited.

Bhagwat N.

Thank you for the opportunity and congratulations on the strong quarterly performance. My question is with regards to the new temperature sensor product for the automotive industry. Could you please provide an update on the market size, potential revenue target for Salzer and estimated margin from the business?

Rajesh Doraiswamy

Sir, I think this is a very new business. We are just targeting this business to see where we can position ourselves. So, before I commit on the revenue projections, I think we need to first get the product approved from our customer and get a forecast from them before we really give any commitment. I think it is just an initial announcement of our product development team. What they have done is what we have now given.

So, I would request you to wait until this quarter. And before the next quarter starts, I think we will have a full real update on this product.

Bhagwat N.

And this product is going to contribute from Q3 onwards? It's mentioned in the presentation.

Rajesh Doraiswamy

Q4 of this year, but I can give a sense of the global market size for this particular product which we're looking at. I think it is close to around \$7 billion, the global market size for this temperature sensor. And the sectors that the product can be used is automotive, consumer electronics, HVAC and healthcare. These are some of the large sectors that uses these types of temperature sensors.

Bhagwat N.

Okay. My second question is with regards to the smart meter segment. As you can see the publicly available data with regard to smart meter installation that seems like a uptick in terms of installation, like

around 1.4 crore smart meters that was installed in FY25. And we can see around 1.1 crore smart meters have been installed till this year as of these 4 months.

So, it seems like uptick. So, how should we see in terms of Salzer like going ahead for this year?

Rajesh Doraiswamy

I think as I mentioned in my call, there are multiple challenges for our AMI customers also. And as a new entrant, we are also seeing multiple challenges. So, I think we are trying to overcome these things, and that's why I think I'm not giving a guidance because we gave a guidance and we had to scale it back and that is not good. So, that's why I'm waiting to see. We will come back and announce as the order book is full for us, and we have a good forecast and commitment from our customer.

As you know that definitely there is an underlying demand of 25 crore meters out of which 2 crore or 2.5 crore have been installed. So, still there is a large gap going on. And still there are a lot of states that are coming out with the tenders and awarding the tenders. So, there's a big market still available for us to tap. So, we can expect that the next four, five years, this business is going to grow at a good speed.

Bhagwat N

Sure. Definitely. But with regards to the short term like before current year FY26, are we still hopeful of achieving the INR 500 crores to something?

Rajesh Doraiswamy

I think we scaled it down long back than in the last quarter itself. So, INR 500 crore is a very optimistic figure. Yes. I think we should be close to that number if everything goes well in the second quarter.

So by end of the second quarter, we will have more clarity on our order book and how this is going to go.

Bhagwat N.

Great. Understood. So, just my last question from my end, if possible. So, we have done really well in our core switchgear segment. So, could you please comment how does it look for the next three quarters?

Rajesh Doraiswamy

I think on the core business as we have seen, I think we have grown close to 25% percent YoY and sequentially also we have grown close to 20%. We expect that this momentum should continue if there is no surprises in the global market in the geopolitics.

Even if something happens like that, I think we will still continue to grow at around 15-18%. If not, I think we should grow at least 18-22% in the next three quarters. Our standard legacy business is now seeing a lot of demand inside the country and we're also exploring new markets outside of India.

Like, I think as probably mentioned, our UAE and Asian markets have grown faster this quarter. And we are also seeing Australia and New Zealand as new market that we have got. So, things are looking good. Existing business will continue to grow at this speed.

Moderator

Thank you. The next question comes from the line of Kunjal Trivedi from Vana Property.

Kunjal Trivedi

Sir, thank you for the opportunity, and congratulations for the good set of numbers. Sir, my question is also related to the smart meter orders. So as we are facing, sir, delay or we are anticipating delay orders, now since we have already stopped the inventories for the smart meter manufacturing, will it have any major impact on the margins on the yield in coming quarters?

Sir, and my second question on our Saudi unit, sir, as you had said in the last call that we'll be allocated land in the coming quarters. So, what is update on the same?

Rajesh Doraiswamy

On the smart meter inventory and margins, I don't think we are seeing any impact because whatever is our Q1, I think we have shown the results of Q1, which is after taking the impact of whatever we have done in the last 2-3 quarters, including the smart meters. So I don't see a major impact because of the delay in the smart meter business.

On Saudi, I think we are close to identifying a place and we should be starting our operations from Q3 onwards this year.

Kunjal Trivedi

Okay, sir. So as you said that we have already taken the margin impact on the same in the last quarter. So, we will not be facing the margin or unit compression in the smart meter. That's great for us. And yes, that's about it. Thank you so much for the answer.

Moderator

Thank you. The other next question coming from the line of Pranjal Mukhija from Growthsphere Ventures LLP. Please go ahead.

Pranjal Mukhija

Sir, thank you for giving me this opportunity, and again, I have a question on the smart meter side. Sir, our commentary and numbers seems quite contrary to that given by the other companies that are present in this market right now and generally with the way execution has been happening on ground.

So, I just wanted to understand, sir, with the production capacity that India currently has around 6-7 crore kind of meters. And new tenders, like, are going to come out soon, like, especially with that Tamil Nadu one, which has just recently come out at 3 crore meters.

So I just wanted to understand, sir, I mean, what is the right to win any order in this market? Because all the other bigger players, they have a much better experience, a much better staff record.

And, again, this is a product which you have to sort of maintain for a longer period of time, like, 10 years. So, I just wanted to understand, like, what will be a right to win here?

Rajesh Doraiswamy

Actually, there there's a little bit of confusion in this whole business. I think we are not into tendering. We are into manufacturing and supplying of meters as a product.

Pranjal Mukhija

No, sir. I agree to that, but I'm saying why would AMISP procure products from us? Is it just the price element? Because like you mentioned that our meters are going to make a margin of 12-13% whereas the industry currently is making anywhere between 18-19% EBITDA margins.

So are we selling them the meters cheaply, which is the only reason why they're coming to us? Or is there some other additional reason?

Rajesh Doraiswamy

You are comparing some of the very well-established long-term players who have been in this field for years together and who have had the volumes. And some of those players also are into the tendering business. So, a direct comparison may not be very well when put across rightly because it's not just right.

Pranjal Mukhija

Not just with the AMISPs, but I'm also talking about other unlisted manufacturers, even some listed ones that are getting listed now. They have much higher margins.

Rajesh Doraiswamy

My only confidence is that there is a huge demand-supply gap. And I don't think there is a 6-7 crore capacity right now. I think the capacity, in my opinion, is around 3 crore meters a year all players put together is what I look at it. And there is a huge demand-supply gap.

And if the installation because the tenders have been awarded almost 1.5 to 2 years ago and if the installation was happening at that speed that it has to happen, the central government in the last month would not have extended two more years for implementing this project.

So instead of 27 months, I think they have extended it by another 24 months. So, that shows that what are the difficulties in the field, how the infrastructure is not really capable of taking this at this speed is

what is understood. So, that's what we are seeing in the market, and that's what our customers are telling us from the field.

And I'm not saying that it is not being done. It is being done. It is slowly picking up, and we expect that it will definitely go at a speed it has to go in the coming quarters. I'm only trying to justify that I'm not against the views of the general market. I'm along with market views.

Pranjal Mukhija

So, sir, I just wanted some clarity on are we only sort of going at this market because of the demand-supply gap? Or do we also, like there's some differentiating factor with us as an organization, like, where we are able to do that?

Rajesh Doraiswamy

Of course. So, we just have a lot of differentiation, lot of technical upgrades we have done. There's so many new features that we have added, which is why I think some of the customers are looking at our makers, one.

Second, I think, as a new entrant, we have our own to go and pitch and get this order done. So, that's also a part of the delay.

Pranjal Mukhija

Right. Sir, could you share some of the examples of the features that we have, which is different from the market?

Rajesh Doraiswamy

I won't be able to do it right here in the call because of various reasons.

Moderator

Thank you. The next question comes from the line of Ankur Kumar from Alpha Capital. Please go ahead.

Ankur Kumar

Hello, sir. Congrats for a good set of numbers. Sir, my first question is on our margin. So, we have come back to 10%- margin this quarter, having some cost-related issues in the last quarter. So, can we expect this 10% to continue? Or how should we look at it?

Rajesh Doraiswamy

Yes. I think we expect definitely this margin percentage will continue. And we also hope that we would like to increase this by at least another half a percentage point in the next few quarters.

Ankur Kumar

Got it, sir. And sir, in our press release, we are talking about 50 crore of smart meter orders to go into Q2. So has it already gone? And what kind of margin can we expect on that 50 crore, sir?

Rajesh Doraiswamy

I already mentioned that we have a 12-13% EBITDA on smart meters. And in Q2, we are trying all that we can to see that this balance order of the 50 crore is being executed in this Q2.

Ankur Kumar

So, 12-13% that can happen with this type of run rate? Or it will require much higher run rate in terms of market?

Rajesh Doraiswamy

It would require higher run rate.

Ankur Kumar

So, for this 50 crore, we can expect company level 10% type or can we expect that or not?

Rajesh Doraiswamy

Yes. That you can expect. Yeah. Correct.

Ankur Kumar

Got it, sir. And sir, on the base business, you talked about some US-related issues, but you also talked about some good demand, 18-20% type growth. So, what exactly is helping us? Given US uncertainties, can other geographies take its space?

Rajesh Doraiswamy

No. I think other geographies are actually doing well. We are not seeing any issues in other geographies. Whatever happened in the US is a very new and latest development. So still, a lot of our customers are assessing what's going to happen and how this is going to evolve.

As I mentioned, there is a direct 5% export that we do, which will be impacted if this 50% continues. Apart from that, I am seeing a major impact in the domestic market if this tariff continues. There are a lot of other industries who are exporting to US, which will get impacted, which might indirectly impact the Indian economy. And there, I think our businesses might also be impacted. But at the worst case, I would say it's another 5% of our revenue.

So, that's the worst-case scenario. So, 10% of our revenue which will be impacted, which will be close to around INR 100 crore to INR 150 crore annually. But having said that, I think the way that our existing

businesses are growing and with the new businesses pitching in, we are confident of achieving INR 1,600 crore of revenue in this financial year without the smart meters.

Ankur Kumar

Sorry, sir. I missed that. You said INR 1,600 crore without smart meters?

Rajesh Doraiswamy

Yeah.

Ankur Kumar

And around, say, INR 300 crore to INR 400 crore from smart meters?

Rajesh Doraiswamy

Hopefully, yes.

Ankur Kumar

Got, sir. That's great to know, sir. Thank you and all the best.

Moderator

Thank you. The next question comes from the line of Amansingh Sahajsinghani from ProfitGate. Please go ahead.

Amansingh Sahajsinghani

Hello. Sir, am I audible?

Rajesh Doraiswamy

Yes, sir.

Amansingh Sahajsinghani

Sir, my first question is regarding the DC charger business. So, the 40 DC chargers that we have delivered in this quarter are from the JV or the Ultra-Fast investment?

Rajesh Doraiswamy

I think that it's partnership now. This business is from Ultra-Fast Chargers. So, I think these 40 chargers we delivered directly, but going forward, it will be through Ultra-Fast Chargers.

Amansingh Sahajsinghani

Okay. And any further plans to increase stake in Ultra-Fast, any new funding around that you will be participating in?

Rajesh Doraiswamy

As in when, it's required, as in when the development happens, we will definitely be doing it. But right now, there is no plan on that.

Amansingh Sahajsinghani

And, sir, on smart meters, can you please help me understand the timelines that we have for smart meters starting from tendering process at state level to revenue booking in our books?

So, for Tamil Nadu example, the tender came in March, and when will be the installations happening? And when will we be recording the revenue if we get some orders from there?

Rajesh Doraiswamy

If we get the orders, I think the revenues will start coming from next year, Q2. Normally, tendering process from tender opening to execution is close to around 8 months.

Amansingh Sahajsinghani

Close to around 8 months?

Rajesh Doraiswamy

Eight months, yes.

Amansingh Sahajsinghani

Okay, sir. Thank you so much.

Moderator

Thank you. Anyone who wishes to ask a question, may press * and 1 on their touch-tone telephone.

We have the next question coming from the line of Prateek Vyas, an individual investor. Please go ahead.

Prateek Vyas

Hi, congratulations on good set of numbers.

Rajesh Doraiswamy

Thank you, sir. Go ahead.

Prateek Vyas

I would like to know if we are planning any stake increase or any FII or DII are actively involved in investment in the company? Thank you.

Rajesh Doraiswamy

No, I think we are not looking at any capital structure alteration as of now.

Prateek Vyas

Okay. Thank you.

Moderator

Thank you. Next question comes from the line of Kumar Divyanshu, an individual investor.

Kumar Divyanshu

First of all, congratulations for the very good number. My question is regarding the order book. Could you please tell me that what is the current order book status?

And second is the executed order book as of Q1 FY26?

Rajesh Doraiswamy

So, we don't operate on a large order book business because ours is electrical component manufacturing and supply. We, at the max, maintain 4-6 weeks of delivery time. So, our order book is at the max a month or two months.

But having said that, we have a very good forecast from across our customers and OEMs. But I think I also have to give a highlight here that because of the latest development, these forecasts might change in the coming days.

But until now, the forecasts are good. We are seeing healthy order inflows. We expect the Q2 also will be as good as Q1.

Kumar Divyanshu

Okay. So, it'll be better if you could provide some approximate number that what is the order book right now?

Rajesh Doraiswamy

As I mentioned, I think I gave a guidance of around 18-20% growth compared to last year. So, I think we still stick to that and we should be able to grow at that level.

Kumar Divyanshu

Okay. And my second question is that, sir, new sensor temperature which you have mentioned right now. So, could you please suggest to me that from which part of the revenue will be start coming from this particular segment?

Rajesh Doraiswamy

I think I mentioned that the product has been just developed and given for validation. So, we expect to see some revenues coming from this product from Q4 of this year.

Kumar Divyanshu

In the last quarter, you have mentioned that we are on the sale that we are going to sell to the many of the more AMISP. Okay? So, could you provide me the updates regarding?

Rajesh Doraiswamy

I think that is the update I've been giving across for all the smart meter answers. So, AMISPs are our smart meter customers.

Kumar Divyanshu

Okay. Thank you so much. Thank you.

Harsh Saraswat

So can you throw some light on the debt situation in the company and the working capital cycle going forward? And does smart meter will be extending our working capital days going forward?

Rajesh Doraiswamy

Smart meter business won't increase our working capital cycle. If at the full revenue levels, I think smart meter will actually help reduce our working capital cycle. That's what we expect.

On the debt levels, we are at around INR 400 crore of debt working capital. And there's no change in the project loan status of March.

Harsh Saraswat

And when do we expect this debt starting coming down like in the next year or the next to next year?

Rajesh Doraiswamy

I don't expect this to come down drastically because I think we are expecting the growth in the coming years at a speed that we will not be able to manage without the working capital debt. But we are conscious to see that we will restrict our debt to approximately 20-25% percent of our revenue, not beyond that.

Moderator

Thank you, sir. The next question comes from the line of Sahil Bagaria from Mindful Investing. Please go ahead.

Sahil Bagaria

Thanks for the opportunity, sir. So, sir, my first question is, the total revenue in FY25, how much was it from smart meters? So, I think we were, like, INR 1,360 crore. So, how much was smart meters out of it for FY25?

Rajesh Doraiswamy

You're talking about last financial year?

Sahil Bagaria

Last financial year. That's right.

Rajesh Doraiswamy

Yeah. Last financial year, I think we already gave an update on this. If I'm not wrong, we had INR 5 crore revenue of smart meters last year. I'm not very sure, but this update has already been given in the last quarter.

Sahil Bagaria

Okay, sir. And so, the growth which we are expecting on this year, so you said about INR 1,600 crore. So despite of the US tariffs and all the situation right now, we are still expecting to hit the INR 1,600 crore considering the current situation?

Rajesh Doraiswamy

I think INR 1,600 crore was our projection when we started the year, which is what we updated to you all in the market also. I think the current situation needs a little bit more time and evaluation if this will impact our revenue and if at all, it is to what extent needs to be evaluated. And right now, there is a lot of confusion in the global markets. So, we are not giving any comments based on that. So, we are holding on to our projection as of now, and we will see how the markets react and evolve, how our customers react.

And I think a better clarity will emerge maybe by end of this month. And as I already mentioned, the total impact that I expect at the worst case is 10% of our revenue, which is around INR 150 crore, which I think we'd still be able to, it's the worst case that becomes that means all my US business becomes zero, which

I'm not expecting. So, that's only the sense that we are able to still confidently say that we will be able to reach our original target of INR 1,600 crore.

Sahil Bagaria

Got it, sir. So, my last question is, so for the charger business, we are expecting about 1,000 charges this year. Right? And what is the split we are expecting between DC and AC out of the causing charger?

Rajesh Doraiswamy

I think value-wise, 90% will be DC because that's a high-value product. Value-wise, 10% will be AC chargers.

Sahil Bagaria

Got it. That's it, sir, from my end. Thank you. Thank you so much.

Moderator

Thank you. The next question comes from the line of Mehboob Mehtab, an individual investor.

Mehboob Mehtab

My first question is regarding smart meters. So, from the last year, again, guidance is reducing by end QoQ. So, how is the smart meter business is going on at present?

And in the last quarter, you have mentioned that we are not taking participant in the bidding. So, what about the current order position, sir?

And at a budget of INR 500 crore to INR 600 crore, you have mentioned the last quarter for this financial year, how it's going, sir?

Rajesh Doraiswamy

So, I think there have been a lot of anxiety and questions on smart meters. I would again like to put forth that this is a business that is completely dependent on the DISCOMs and the government. And as I mentioned, our customers are facing a lot of challenges in implementation, and there's a lot of actions being taken to overcome those difficulties. So, we are working along with our customers to secure orders and see how we can implement this, one.

Secondly, as I already mentioned in this call also, we are a new entrant in the business. So, the original revenue guidance was given based on the demand and at the speed that we expected that it will be implemented. But as we entered the business, we understood that it's not as we thought it is not as straightforward as it looks, so it is taking time. And that's why we have been revising our guidance QoQ and we have come to a reality.

So, we definitely see there is a huge underlying demand for this product, and we are positioned very well with our product, our technology, and the features that we have in our product. And I expect that this business will definitely pick up at the speed, at the revenue guidance that we have given. Maybe we are a little early to project that level of revenue, but definitely, we are going to achieve that.

As I already mentioned, I think maybe we shouldn't give guidance before we really assess the market. So, that's an understanding and the learning that we have got. So, to put the anxiety of all the investors down, I think we are there in that business. We are confident that we will be getting triple-digit revenues or four-digit revenues quite soon in this business.

And most clarity will emerge post this Q2 when we our customers give us more commitment on the business.

Mehboob Mehtab

Sir, my second question is, can you give information regarding BIS certifications, is that clear? And you mentioned that we are waiting for a big use order from our repeated customers. So any update on that, sir?

Rajesh Doraiswamy

What is the certification you mentioned? I didn't get your question properly. What's that?

Mehboob Mehtab

BIS certification that you have mentioned last quarter also regarding smart meter.

Rajesh Doraiswamy

Yes. So, products are certified with BIS, yes.

Mehboob Mehtab

And one more question, sir, is there any CapEx left for smart meters? The present capacity is enough for the market opportunities?

Rajesh Doraiswamy

Present capacity is enough and all the CapEx has been done and then we are continuing to invest to, I wouldn't say maintenance CapEx, but to make the line lean, whatever is required, that small Capex that we are doing.

And we are also establishing an in-house electronic manufacturing facility for the smart meters. So, it's completely becoming self-sufficient on smart meters.

Mehboob Mehtab

Okay. Sir, can you give a note on Saudi Arabia's CapEx, which was announced last year?

Rajesh Doraiswamy

We haven't started any CapEx. As I mentioned earlier in this call, we are close to finding a place to operate on a rental basis. Once that is done, I think the CapEx will start, and we expect that it will happen from Q3 of this financial year.

Mehboob Mehtab

And again, I'm asking, sir, any margin guidance for the coming entire year?

Rajesh Doraiswamy

We expect that Q1 results will continue for the coming quarters.

Mehboob Mehtab

That's it for my sir. Thank you very much. I wish you all the very best for your future.

Rajesh Doraiswamy

Thank you, sir.

Moderator

Thank you. Next, we have a follow-up question from the line of Bhagwat N. From Prosperity Wealth Management Private Limited. Please go ahead, sir.

Bhagwat N.

Thank you for the follow-up opportunity. Is there any plan by promoters to increase their stake in the company beyond the current 37.5%?

Rajesh Doraiswamy

I think, the last 2-3 years, promoters have increased the stake. And I, being one of the part of the promoter, we have gone up from 33% to 37%. And we have no plans immediately but we will definitely let you know as and when we have any idea of doing that.

Bhagwat N.

Okay. Thank you so much, sir.

Moderator

Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Rajesh Doraiswamy, Joint Managing Director, Salzer Electronics Limited for closing comments.

Rajesh Doraiswamy

Once again, thank you all very much for your interest and support from all of you all these years. And from Salzer's team, I promise that we will continue to add value for all the stakeholders in the coming years. We will work towards that.

Thank you very much until we talk again next quarter.

Moderator

Thank you, sir. On behalf of Aditya Birla Money, that concludes this conference. Thank you for joining us and you may now disconnect your lines.