

**Date: August 18, 2025**

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**RE: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended.**

**Subject: Transcript of the Investors’ Conference Call held on August 13, 2025, on the Un-audited Financial Results of the Company for the 1<sup>st</sup> Quarter ended June 30, 2025, of the Financial Year 2025-26.**

Dear Sir/Madam,

This is further to our earlier announcement dated August 8, 2025.

Pursuant to Regulation 30 read with Para A of Part A of Schedule III to the SEBI Listing Regulations, please find enclosed the transcript of the Investors’ Conference Call held on Wednesday, August 13, 2025 at 10:00 A.M. (IST).

The call was organized to discuss the Unaudited Financial Results of the Company for the quarter ended June 30, 2025 (Q1 FY 2025-26), which were approved by the Audit Committee and the Board of Directors at their meeting held on August 11, 2025.

The transcript of the said call is enclosed herewith and has been uploaded on the Company’s website, [www.exicom.com](http://www.exicom.com) in compliance with the SEBI Listing Regulations.

You are requested to take the above information on records.

Thanking you.

Yours faithfully,

**For Exicom Tele-Systems Limited**

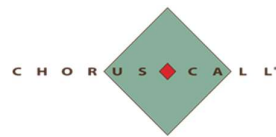
**Sangeeta Karnatak**  
Company Secretary & Compliance Officer

**Encl: Copy of Transcript**



“Exicom Tele-Systems Limited  
Q1 FY '26 Earnings Conference Call”

August 13, 2025



**MANAGEMENT:** **MR. ANANT NAHATA – MANAGING DIRECTOR AND  
CHIEF EXECUTIVE OFFICER – EXICOM TELE-SYSTEMS  
LIMITED**  
**MR. SHIRAZ KHANNA – CHIEF FINANCIAL OFFICER –  
EXICOM TELE-SYSTEMS LIMITED**

**MODERATOR:** **MR. RAHUL DANI – MONARCH NETWORK CAPITAL  
LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Exicom Tele-Systems Q1 FY '26 Earnings Conference Call, hosted by Monarch Network Capital Limited. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions and expectations of the company as on date of this call. These statements are not guaranteed of future performance and involves risks and uncertainties that are difficult to predict.

As a reminder, all participants' lines will be in listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand over the conference to Mr. Rahul Dani from Monarch Network Capital Limited. Thank you and over to you.

**Rahul Dani:** Yes. Thank you, Pari. Good morning, everyone. On behalf of Monarch Network Capital, it's my pleasure to move the senior management of Exicom Tele-Systems. We have with us Mr. Anant Nahata, Managing Director, CEO of the company. We have Mr. Shiraz Khanna, CFO of the company.

We will start the call with opening remarks from the management and then move to Q&A. Thank you, and over to you, sir.

**Anant Nahata:** Yes. Thank you, Dani. So good morning to esteemed investors, shareholders and other stakeholders. This is Anant Nahata, CEO of the company. I'm also joined by our CFO, Shiraz Khanna.

So let me dive into the investor presentation, which we had uploaded last night. And to begin with, the key message from our company is that we acknowledge this quarter's performance fell short of expectations.

But at the same time, I would like to reiterate that this does not reflect our full potential as a company or the strong pipeline that we have today. We have the highest order book as we have ever had as a company. We have great momentum in EV Charging business, which is building, which we'll talk about shortly.

And we have a lot of big projects to deliver for which unfortunately, could not be delivered in Q1, but the deliveries are set to lift Q2 revenue contributions and hence forth, but overall, the quarter's performance has been short of expectations, but we still remain committed to the guidance that we provided for the full year.

Tritium remains a strategic investment for global growth, though turnaround is lower than expected, but early signs of rising customer confidence and their ability to invest in our new portfolio -- product portfolio, the times are encouraging.

The key financials of quarter 1 FY '26. I'll just say the highlights, Shiraz will discuss it in detail later. Revenue up about INR151 crores on a standalone basis, adjusted EBITDA of INR12.6 crores, and adjusted PAT of just about INR1 crores on standalone basis.

We say adjusted because of an exceptional item for VRS of about 100-plus employees in one of our older facilities, which we are transitioning its production to our newer facilities, that's why the adjusted exceptional item.

On a consolidated basis, we did revenue of about INR205 crores with adjusted EBITDA of minus INR38 crores and adjusted PAT of minus INR71 crores. This is primarily due to losses in our acquired subsidiary, Tritium.

I'm going to skip the next 3,4 Slides, which I hope you are familiar with, it talks about our company as a power management solutions company, which is a common thread between our Critical Power and EV Charger business.

It talks about our end-to-end portfolio in both these markets via which we are able to serve entire telecom infrastructure requirement of power solutions and lithium batteries and end-to-end requirement of EV charging solutions, whether it's portable, 3kW charger, all the way to very high-power 600kW fast chargers.

I directly go to business update slide, so Slide 12 for Critical Power. As you are aware, our business is highly dependent on growth of telecom infrastructure, particularly our Critical Power business division, which is largely represented by the number of new build towers, but also the back-end telecom infrastructure, maybe the MSC, BSCs, cable landing stations, etcetera.

Overall, new tower installations remained flattish compared to Q4 FY '25 at about 7,500 and it was a 26% decline compared to Q1 of FY '25. And that happens, as I've mentioned before, telecom infrastructure is a cyclical business.

You see high growth in times of infrastructure investments, which typically happens with new technologies, such as 4G, 5G and hopefully, with 6G in future. And otherwise, what you have is largely replacement business with some new business, which is the phase we are in right now.

Our standalone Critical Power revenue was about INR98 crores and consolidated was INR102 crores. As I mentioned, this revenue is below expectations, but the primary reason for this was some of the key projects we are supplying to, including Bharat Net, including a couple of other projects, including some large lithium-ion battery upgradation project.

They had project level delays due to approvals, due to monsoons. And a lot of that has shifted to future quarters, particularly Q2. So you will see significant revenue contributions from the upcoming quarters. But on the positive side, we secured major wins from Middle East, from Africa, which is giving us hope for some of our best export business this year.

We have a strong outlook given the order backlog, which is more than INR1,500 crores. A lot of that is service in future years, but just the hardware supply orders also exceed about INR1,200 crores.

So Slide 13 highlights in Critical Power business. The projects were delayed, but we started -- we did the entire solution development, the approvals are in place. And we could start execution for multiple customer accounts.

We secured large orders from big telcos for lithium-ion batteries and this space is undergoing a shift of rapid transformation where large lithium-ion batteries are replacing traditional lead acid batteries.

We continued our dominance with almost 70% market share in one of the projects, which was at its peak last year, but still continuing towards the back end of that project, that is setting up of infrastructure in rural and remote areas.

We are -- we continued our dominance in that project, and we acquired some new customers, some new products. Highlight was also exports. Revenues from Africa and Southeast Asia contributed to 30% of our current quarter's revenue. And in these markets, also, we acquired new customers and also increase wallet share of existing customers.

On the update on the EV Charger business, this is Slide 15. There are some great tailwinds in the EV Charger business. And like Critical Power businesses is dependent on telecom towers, and similarly, EV Charger business is dependent on a number of cars and electric cars and buses being sold.

So in Q1 of '25, there were about 23,000 cars which were sold, which is almost 40,000 in Q1 FY '26, that's a 15% growth compared to last quarter, 72% growth quarter-on-quarter and that's because of new model launches, new premium SUV launches by major OEMs, Hyundai, Mahindra, the new models by Tata. And obviously, everybody is anticipating Maruti's launch, which is going to happen fairly soon.

And the Electric Bus segment. There was -- there's always been a vibrant sector. But due to payment security guarantees, a lot of OEMs were having challenges. The Indian government stepped in there, rolled out payment security mechanism scheme, which enables states to faster deploy these electric buses.

Because of that, we are seeing a lot of momentum in electric buses. Overall, Q1 is always not the hottest quarter in automobile, the time around festive season, end of date calendar year is -- but you see our Q1 FY '25 performance, we did on a standalone basis, INR33 crores versus which this quarter, we have done 61% more, which is about INR53 crores in this quarter, that's roughly flattish compared to Q4 of FY '25.

And Q4 always is the time just around festive season, just after that is the biggest quarter for us. On a consolidated basis, we did about INR103 crores of revenue, which includes Tritium and some revenue from Southeast Asia as well.

So overall, we supply more than 15,000 chargers, which could be far industry-leading compared to all our peers. Next slide is in policy, which we kind of covered. I'm going to move to the next slide.

So key developments for EV Charger business. For the first time, we could make an entry into Electric Trucking segment. That's partly also because PME drive policy allows for incentives for Electric Trucking, which was not the case before.

And because of this, some truck makers are investing heavily to go electric, we secured some exclusive business with one of the largest electric trucking operators in the country. We also had an OEM win in the Luxury Car segment, which is one of the German Luxury car automakers.

They don't sell a lot, but that give confidence on the value and the product quality that we have where we are not just selected by leading Indian automakers, but by leading German automakers as well. We are not just Tritium, but in regions of Asia, Southeast Asia, Middle East, we are doing a lot of effort to expand our business.

And I'm happy to announce that for the first time, an Indian company has signed, which is Exicom, our company has signed a global framework agreement with one of the largest clean energy players in Southeast Asia for EV Chargers. Subsidiary of this company is putting charging networks in countries of Malaysia, Indonesia and Thailand.

And these are the main countries, but with a smaller footprint in some other countries, Exicom signed a global framework agreement with this company and Exicom chargers will go into all of these countries.

We also -- we are also looking for growth opportunities via new business model. We successfully have been now commissioned and deployed our end-to-end turnkey business model where we not only supply the charger, but do site construction, site surveys, installation, commissioning and a lot of ancillary work around up a charging station.

This has won us business from some leading OEMs in India, where the offering they are looking for as much more than charger supply. This allows us to create differentiation and also capture a bigger part of their wallet as far as investment in EV infrastructure is concerned.

We launched a new product -- every year, we launch a new product. But this year, we launched it with a lot of fanfare. There was a big event and we use this to invite the entire Indian EV charger industry, be it the OEMs, be it the CPOs, be it the distributors and took them to our new product, its feature, its differentiation.

And that -- there's a lot this product not only allows us to differentiate, but this event and subsequent sales efforts have led to almost 6 of our top 10 customers switching to this product entirely. So this is the fastest scale-up of a new product that we have seen at least compared to historically what we have done before.

Digital enablement is also a key part of our EV Charger portfolio. So we continue to invest in a lot of digital platforms, particularly in platforms, where we are able to monitor these charges remotely and do a lot of things digitally to keep the uptime high, which is becoming one of the key differentiators amongst the players in the industry, and also give customers the taste of some of these digital tools, which allow them to operate and maintain their infrastructure in a better way.

Next slide, Slide 18, update on Tritium. As I mentioned, Tritium turnaround is taking longer than expected, but this is a strategic investment with a global footprint. And we see some very positive leading indicators that is customer satisfaction in a lot of our services, our products and reliability.

And this course were not high when we acquired Tritium. We see -- we see order book building of the main center product of Tritium, where Tritium's forward strategies built of, which is the product known as TRI-FLEX. We have some orders in the bag and we see pipeline continue to build for this product as we move forward.

We had almost \$8 million of booking in Q1 of FY '26, including repeat orders, including service orders, but hopefully, we can expand this much more rapidly than we have in the past. We are confident about some of our action, and that's why we are enabling Tritium to take some industry-first actions as well.

For the first time in the world, Tritium announced -- this is industry first -- at least in the electric mobility industry where we have introduced lifetime warranty on the power module. When we consider DC charging power modules are at heart of it, they constitute about 50% of the cost of the EV Chargers and that's the component, which is prone to failure or can give you reliability as it works well.

And Tritium introduced lifetime warranty for these modules, which is well received. And hopefully, we'll see this message getting converted to pipeline and sales in the future quarters. Revenue by geography, with Tritium we are a global company, so you see revenue distribution everywhere.

We are an Indian company, the center of business will always be in India, and that is still more than 50% of our business, but some revenue coming up in every part of the world, it's really about scaling up this at this point.

Next slide was Harmony Gen 2 and Tritium TRI-FLEX launch in India have covered this already and we have some pictures for you to see.

On the next slide, Slide 21, there is general momentum just going across the business in EV recharging. We have spin air going to customers through B2C channels. We won the award for excellence in EV charging by Nitin Gadkari, that's our CEO for EV business, receiving the award.

There are a lot of customer testimonials of important stakeholders within the industry and some customers in general, praising their experience with EV chargers. A lot of my friends have the EV chargers who quite like the product. So overall, good momentum on the EV charging business.

The last thing I want to cover is Exicom's integrated manufacturing plant, which is under construction, hopefully, we'll be able to do SOP by October of this year -- just 1 second. Yes. Sorry. So on the Hyderabad plant, this has developed into a stage where we can really see this as a plant. You see a lot of photos here, which means it's in advanced stages of construction.

And we are really hoping that we'll be able to start the production here in late September, early October. This is kind of something we're very proud of. It will represent not only one of the leading electronic plans in the country, but a lot of the thinking behind automation, digitization, industry 4.0 concepts, which will allow us to be really high quality and lean cost manufacturer of our products.

Last slide to be covered by me before I pass to Shiraz, and then we'll be happy to take your question and answers. Our deployment of IPO funds, IPOs are at INR400 crores. We spent INR257 crores till March of '25, another INR35 crores in Q1, and the balance as of 30 June is INR108 crores. Majority of these funds will be utilized by end of September as the plant is in final stages of progress in construction.

Working capital funds, we'll see utilization in Q2. As I mentioned, a lot of the key projects, the revenue buildup will be from this quarter. And same with R&D expenses as well. So what we committed the use of IPO proceeds is on track for deployment and hopefully see returns from those coming in the subsequent year.

With thank, I will thank everyone. I appreciate your patience with the company. And as I mentioned, we are in sectors which are high-growth sectors, at least EV charging sector, the high-growth sector on the telecom one, a stable sector with stable cash flows, though a little bit volatile in terms of revenue as it's project-based.

My ending remarks would be that I'm particularly excited by what we see in our pipeline, what I see in our order book. Yes, there is a lot of work to do. There are challenges, which we are trying to overcome. But the current quarter results does not reflect our potential and pipeline.

And you will see -- we are a leader in the segments that we operate in, and we'll see that -- we hope to show you that even in the financial results in the coming quarters and years.

Thank you. Passing to Shiraz.

**Shiraz Khanna:**

Thank you, Anant, and good morning to everyone. Financial, Anant has already covered briefly, but I'll just go over the numbers again. Standalone revenue came down to be INR151 crores, down by 29% quarter-on-quarter and 38% on a year-on-year basis, primarily due to delays in the start of Bharat Net project and some of the other projects, as Anant mentioned, as well as some of the deferrals that we have had in battery delivery, which will happen in quarter 2.

So as Anant said, this will pick up in quarter 2 with the pace. Despite the softer top line, gross margin improved to 32.7% from 21.3% last quarter, which is a very healthy positive up, driven by a richer product mix, cost optimization that we've done.

Adjusted EBITDA also rose to INR12.6 crores, which is 8.6% of the margin, up from about INR10.9 crores in quarter 4, reflecting a better operating leverage in EVSE segments. Adjusted PAT stood at INR1.1 crores, about 0.7% margin versus INR4.6 crores in Q4. Moving on to consolidated basis, revenue was INR205 crores. We have a pretty similar revenue in EV sector. We maintained it as what was in previous quarter.



Our Critical Power was down because of the project start. So the quarter-on-quarter was down, on a consolidated basis, by 23% and 19% year-on-year, reflecting a slower turnaround at Tritium along with domestic projects delay. Gross margin remained healthy. We were at 39.4%, aided by higher-margin products that we sold and the geography mix that we got.

Adjusted EBITDA was negative by INR38.6 crores and compared to minus INR17 crores in the previous quarter. And this is primarily, of course, because of Tritium operational costs, which continue to weigh on profitability of ours.

Adjusted PAT was minus INR71 crores. This will be INR62 crores in the previous quarter. The adjustments that we've done highlighted on the pages is primarily because of the FX impact, which is more in terms of accounting than actual.

And the VRS scheme and the redundancy schemes, which we did mention in our stand-alone and redundancies in Tritium, where we were resizing our numbers of people out there. The EV business maintained a strong momentum year-on-year, particularly in Southeast Asia and premium OEM segment, while critical performance is expected to rebound in Q2 as deferred projects commencement has started.

The company enters the Q2 with a robust order book, which Anant mentioned, and we anticipate improvement, both in revenue and profitability. Moving on to -- we recently completed a rights issue of INR260 crores, which was successfully subscribed rather a little oversubscribed on the rights issue.

The breakup of the rights issue of INR260 crores was that we were paying unsecured debt of INR55 crores, repaying back that. This is the object of the rights issue. We are converting promoter given loan into equity of INR107 crores.

Investment in Tritium to support it for a little more time before it turns around INR85 crores and then balance INR12 crores for corporate general purpose and issue expenses. So the overall holding of the promoters, which was pre-rights issue was 69.5%, marginal dip to 66.5%, which is again healthy.

The rights issue has been positive on our debt equity ratio as well. Pre- rights issue, we were at 0.7%, and post rights issue, we are at 0.35%, which is giving us a higher leverage, lesser pressure on the interest cost and so on and so forth. Our net worth pre-rights issue was INR650 crores post -- with the INR260 crores added. The post net worth has gone up to INR910 crores.

So that's the positive side. With that, I'll end my update on the financials. I will hand it back to Anant for the Q&A session. Pari, you can now take on questions and Anant and myself will try and answer.

**Moderator:**

Okay. Thank you very much. We will now begin the question and answer session. The first question is from the line of Sahil Patani from Strokes Capital.

**Sahil Patani:**

So I wanted to understand that we are still maintaining a guidance of 100% revenue growth over FY '25, and since we've done about INR200-odd crores in quarter 1, that leaves us about room

for INR1,500 crores to be done for the remaining 3 quarters. So if you can discount factors that's contributing to us being still confident on achieving that kind of growth for the remaining 9 months of the year? That's my first question.

**Anant Nahata:** So I think the guidance was 50% growth in revenue and EBITDA on a standalone basis, not 100%.

**Sahil Patani:** On a consolidated basis, I think.

**Shiraz Khanna:** So we had given a guidance of 50% increase in the revenue and 2.5x of the EBITDA. And that guidance still holds good. We are confident that for the remaining 9 months, we'll be able to hold on to the guidance.

**Sahil Patani:** And I just wanted to understand that in terms of project execution or orders, like if you can just list a couple of factors that is helping us to kind of maintain that guidance, like what is contributing to that?

**Anant Nahata:** Yes. So I'll first talk about the standalone basis. So a lot of today's -- what I spoke about in the presentation and even from a perspective of when we gave out that guidance is really backed by in the Critical Power segment by the order book that we already have. So I won't say 100%, but a lot of it is backed by the order book that we have.

And some proportion is based on business as usual where we keep getting run rate business, etcetera. And we feel pretty strongly about it. As I mentioned, the quarter 1 revenue was more on account of project delays. And then it's the project delays, maybe due to customers, it may be due to product approval. It may be just the paperwork concerning the project. A lot of these are not just one project, but multiple projects that happened sometimes just luck doesn't work your way.

And all of those are solved and the projects have been put into execution mode in the last quarter. We may not have had huge revenue from it, may have had single-digit crore revenue, but the execution has started.

So that gives us confidence that will be able to sustain that guidance through the remainder of the quarter because the capacities that we have, especially after Hyderabad come up in October will not be deterrent in from a revenue perspective to be able to recognize by the company.

And mathematically, that guidance converts into 4x EBITDA on a standalone basis of what we did last year, so to be able to do that. On a consolidated basis, I think we gave a guidance of 100% revenue growth. This is something broadly will maintain. But as Tritium is taking a little longer to turn around, there may be some shortfall in the consolidated revenue guidance. But on a standalone basis, we continue to maintain the guidance.

**Sahil Patani:** That helps. The second question is around profitability. Obviously, this has been our like fourth quarter consecutive where we posted losses. So when do you think eventually will turning profitable? Would it still be within FY '26? Or do you think because of Tritium, we might slip into FY '27 as well in terms of profitability?

**Anant Nahata:** Yes. So again, on a standalone basis, even with this very low revenue figure, we were still PAT positive. And if we have to scale up the revenue as we have already spoken about, that will definitely propel profitability because with low revenue, the fixed cost coverage, variable cost coverage is quite low, and that's where some of the guidance of 4x EBITDA, etcetera, is coming from. On a consolidated basis, I think profitability guidance will only be for FY '27, not for FY '26 on a consolidated basis.

**Moderator:** The next question is from the line of Samraat Jadhav from Prosperity Wealth Adviser.

**Samraat Jadhav:** So the Harmony Gen 2 and Tritium TRI-FLEX chargers, we have received a very strong market response. What is the expected gross margin for these new products? And what is the current order backlog outlook?

**Anant Nahata:** Yes. So the Tritium TRI-FLEX because it's part of the portfolio we launched, that's a very high-end technology with main markets in U.S. and Europe. In India, there is no -- I wouldn't say there's an immediate market for it, but there's activities on business development, etcetera, which are taking place, and that will be really fruitful when we have really high energy battery cars and big trucks and big buses, all of them requiring 10 to 20-minute charging.

So these are very advanced liquid cool chargers, which will eventually come to India, but today, it's in the business development phase. But the main launch, etcetera, was with -- for our Generation 2 product, which we call as Harmony Gen 2.

I can't give you exact specific numbers, but this is the first time where we have been able to give a better value product in terms of features, more things, better aesthetics, better durability and increase our gross margin at the same time. Usually, that doesn't happen, but this time, we have been able to do that.

And that's where you want to be, right, where we're able to give 2x more value and like 1%, 2% more, but our gross margins in EV charger business are in line with our expectations. That's what I can tell you, even though it's a very fierce competitive market, right?

It's a new segment. And every time there is something new businesses in India go through this period of phase where 20 people are trying to do it. But I think we have been able to convince the customers of the value that we bring, not all the customers, some we have not been able to convince and we lose them.

But most of the customers who are deploying charging networks, who have funds and investments to deploy charging networks, I think we would have a majority share in it. So I can't give the specific margin, but it's in line with our expectation and better than what we had in the previous product portfolio. That's one.

You asked in terms of pipeline. Again, our 50% of the business, and this is not an exact number, just a directional number. Almost 50% of our business comes from AC chargers and about 50% of the business comes from DC chargers. So that entire pipeline of DC business as we are in the transition phase, converting customers to Gen 2. But I would say on an ongoing basis, more than 50% of the deliveries of DC chargers have already converted to G2.

And by end of the year, I think it will be 100% because being able to convert maybe some -- related to some government specifications, etcetera, where we may have approval for the older products and the new approval will take time, things like that, right? But I think for all practical purposes, we have already converted everything to G2, whatever is left by end of the year.

**Samraat Jadhav:**

Great. And our Hyderabad plant would be operational, when totally?

**Anant Nahata:**

So, we're going to start operation in October. You saw some pictures in the presentation that are at very advanced stage.

**Samraat Jadhav:**

October this year?

**Anant Nahata:**

October this year. But that does not mean it will be at full production in October. So October, it will start this year, October 2025. And then there will be a period of 2 quarters where the complete transition will happen, right? So product by product, line by line, etcetera.

**Moderator:**

The next question is from the line of Shashi Kant from Mind Equity Advisors.

**Shashi Kant:**

Sir, my question is extending the previous participant question. So on Hyderabad plant, what capital utilization you are expecting to reach in the next 2 quarters after the commissioning?

**Anant Nahata:**

So that -- today, we are operating at a very high utilization, specifically in quarter 2 in our current plant. In the Hyderabad plant, the overall capacity that we can cater to is a lot product because that's a plant we have built for future. So today, we are not utilizing all the space and the capacities that we are building.

So plant and machinery is modular being put for our, let's say, next 2 years requirement, right? And if we want to expand the space to expand more. So with the current plant and machinery that we are putting, our utilization will absolutely be north of 70% to 75%.

**Shashi Kant:**

So my second question is, so what's our view on the EV industry this year for FY '26, what kind of growth we are seeing? And secondly, what kind of tower additions we are seeing in this financial year FY '26?

**Anant Nahata:**

So I'll answer the EV thing first. Though I've been excited by EV industry all the years since we have gotten into it since 2019, but even within those 6 exciting years, there have been -- 2 years have been very excited. One was FY '23, so calendar '22, FY '23, where we saw this thing among most of the players that everything is going to turn EV, let's invest in EV, let's not miss the bus. So that was the excitement out of, a little bit fear, a little bit about future technology.

And today, the tailwinds I'm seeing in this industry is far exceeds anything that I've seen in the past. And this excitement is out of people's comfort with EV, the people understanding the TCO, people adopting EVs as the first car, government being helped ensure on making electric buses a norm.

For the first time, people acknowledging that heavy vehicles, which may be large trucks and buses can go EV. Earlier, never people promoted EV only for car and bike, it's not for buses and trucks. But today, that's not the case.

And more importantly, the people, the companies who matter in India to the Indian population, whether it's Mahindra, Maruti, Tata, all of them coming out with models in EV with very big investments around EV, right?

So all that has created tailwinds for us which has created exciting pipeline for us and for our peers as well. And overall, I think on the slide, I showed you the car growth of passenger vehicles that is roughly quarter-on-quarter, like since last's year quarter versus this, is 70% even Q4 versus this quarter, it's 15%.

So all that means charges will be required and companies like us or for that matter, any other company in the electric mobility ecosystem should gain on top of it. Yes, it's going through very intense competition. Prices have fallen way beyond what we would have expected.

But as I mentioned in the previous question, at Exicom, we believe in giving great value to the customers. And by doing that, yes, there has been margin compression, I won't lie, but it is still maintaining, let's say, in my opinion, industry-leading margins compared to our peers.

**Moderator:** The next question is from the line of Sagar Gupya from Union Bank of India.

**Sagar Gupya:** Sir, I have just one question that due to geopolitical factors, there are challenges in importing rare earth materials from China. How is this affecting Exicom and the electric vehicle industry and what measures is Exicom taking to address these challenges?

**Anant Nahata:** So rare earth metal and magnets -- so first of all, they have a wide variety of use, no doubt about it, right? So it impacts everyone, including us, and I'll just come to that. But we don't use these type of products in the way automobiles or some of these companies use, right? We don't use them.

So the proportion of effect on us is factor of what auto companies go through. So I just want you to note that. If we buy, for example, 100 components or 1,000 components out of 1,000, maybe 5 or 10 components use that.

And we have seen delays in those components availability. But it delays in those availability, not that they are not available or we have to reshape our production entirely. So for one of our charger categories, for example, last month, production was 80% of what we expected because of delay in these materials.

But on an overall year basis, quarter basis, I don't think the impact will be significant, which will make a difference in numbers for us. So, yes, realistically, to work harder, there is some impact on a minority number of components, but it's not an impact where we would -- which would lead us to change our guidance or explain or have like a significant explanation to shareholders.

**Sagar Gupya:** But sir, like due to this EV car sales growth is declining as well the coast is affecting, then you do think that this coast will also affect the EV charger industry?

**Anant Nahata:** Yes. That's a very good question. So that's a very good question. So while 3 months ago, there were talks of people cutting down production, etcetera. But from whatever forecast we have

seen, it doesn't look like to be the case. And I read in the media the same as you do, it looks like India, China relations are improving.

So again, I don't know what's happening at that level. But we have not seen any severe cutdown in production by any of the big OEMs, at least I have not seen any big public announcements in that regard. So hopefully, that's not the case.

**Sagar Gupya:**

But sir, despite having an advantage in domestic charging and acquiring Tritium, our revenue continues to decrease while company expenses rise and our competitors like Servotech, who are relatively new to this field compared to Exicom and are demonstrating better results and growth with their investors and experiencing, if I'm saying, like significant returns over the past 5 years. Given this circumstance, why is Exicom unable to achieve, sir?

**Anant Nahata:**

So again, on Servotech, from what I know, are a player in multiple domains, EV charging, solar, EPC of solar. So I'm not sure if the EV charging business is bigger or higher growth than us. As a full company, I'm not sure because they're engaged in multiple businesses that I know.

So I would just advise to compare apple versus apple, that's a company much more focused on government business, which is good. But if we have limited capacity, we try to do business, which best serves as the return for the capacity. And at current pricing, it wasn't the PSU business in the past.

In future, it may be because government has now strengthened the P&P norms, which allow people like us to compete better versus the norms in the past, but to my best of knowledge, I think from a customer perspective and revenue perspective, at least in EV charging, we would - on a continuous basis, we would be the largest provider out there. Now if someone's revenue are a lot bigger due to 1 or 2 tenders for 1 year, I can't say. But on a continual steady-state basis, I think we are the largest EV charging company in India.

**Moderator:**

The next question is from the line of Samraat Jadhav from Prosperity Wealth Adviser.

**Samraat Jadhav:**

So my question is on R&D. Our R&D -- how is your R&D budget allocated between Critical Power, EVSE, and emerging technologies like PC microgrid solutions or do we have any upcoming innovations, which you can highlight?

**Anant Nahata:**

Yes. So R&D is I'll just tell you the percentage, but it's a substantial percentage of our budget. And most of our products are in-house designed, right? So just even before I go in the budget allocation and everything, we'll have about, I think, close to 160 people in R&D, almost evenly split between EV charging and critical power and the type of stuff we do, like today, the heart of EV charger is the controller, like in any product, the CPU of the charger is the controller.

We are the only Indian company designing and manufacturing that in India. There is no other charger OEM who has its own controller. Again, it provides us flexibility, gives customers more confidence in longer term. So we try to differentiate ourselves in R&D by going much deeper in technology development than what other peers are doing.

So the breadth of technology development we are doing in EV charger differs in 2 ways from our peers. A, we are the only company right from portable charger to high-power charger. We have the entire product portfolio. So otherwise, some of our competition is just focused on government. Some competition is just focused on bus chargers.

Some competition is just focused on public charging, somebody just in home [inaudible 0:51:44] but we have the entire breadth of portfolio for not very expensive. So our expense of R&D as a cost of sales would be between 3% and 5%.

And not exactly equal, but broadly, EV charging would be, let's say, 60% of the expense, critical power would be 40% of the expense. Again, directionally, I don't know the exact numbers, but if you want...

**Samraat Jadhav:** Around basically?

**Anant Nahata:** Yes.

**Samraat Jadhav:** And any upcoming innovations, if you can highlight?

**Anant Nahata:** In fact, you said it. So we are continuously working on incremental innovations. So we work on 2 types of innovations. One is incremental innovation, which is more feature, taking away some pain of the customers, improving the customer experience.

And sometimes we work on pathbreaking solutions. So DC, a solution for EV charging, high-power EV charging where the grid is not supporting such high power, right? So a battery -- an integration of battery energy storage system and EV charging is something we are looking at.

We did have a pilot product last year in that, but with all those learnings, etcetera, scaling up of that. So it's similar to a DC microgrid, but in some nuances. So the answer is maybe not as a product, but as a solution, we are looking at something quite novel to enable high power charging for high energy vehicles.

**Moderator:** Ladies and gentlemen, that was the last question for today. I now hand the conference to management for closing comments.

**Anant Nahata:** So I really appreciate everyone taking time and interacting with us. If you have any other questions, feel free to e-mail our Investor Relations. We'll try our best to reach out to you. We want to be transparent. We appreciate your journey as shareholders, investors in our company until now.

And we are trying -- myself and my team are trying our best to meet the guidance provided by the company this year. We are excited about the business. The quarter 1 results may not reflect exactly the same, but hopefully, you'll see that excitement coming to fruition in the coming quarters. Thank you, everyone.

**Moderator:** Thank you. On behalf of Monarch Network Capital Limited, concludes this conference. Thank you for joining us, and you may now disconnect your lines.