



**SJS Enterprises Limited**

**Q4 FY25 Earnings Conference Call**

**May 09, 2025**

**Analyst:** **Mr. Amit Hiranandani – PhillipCapital India Private Limited**

**Management:** **Mr. K.A. Joseph – Managing Director & Promoter**  
**Mr. Sanjay Thapar – Group CEO & Executive Director**  
**Mr. Mahendra Naredi – Group Chief Financial Officer**  
**Ms. Devanshi Dhruva – Head – Investor Relations**



**Moderator:** Ladies and gentlemen, good day and welcome to the SJS Enterprises Limited Earnings Call, hosted by PhillipCapital India Private Limited.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “\*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Amit Hiranandani from PhillipCapital India Private Limited. Thank you and over to you, sir.

**Amit Hiranandani:** Thank you. Good morning to everyone. On behalf of PhillipCapital Limited, I welcome you all to Q4 FY25 Conference Call of SJS Enterprises Limited.

We are pleased to host the Senior Management of the Company. Today we have with us Mr. Joseph – Promoter and Managing Director; Mr. Sanjay Thapar – Group CEO and Executive Director; Mr. Mahendra Naredi – Group CFO; and Ms. Devanshi – Head of Investor Relations from SJS

Before I hand over the Call to the Management, I would like to congratulate the team for continued strong set of performance. Now I hand over the call to Devanshi. Over to you.

**Devanshi Dhruva:** Thank you, Amit. Good morning, ladies and gentlemen and thank you for being with us over the call today. We appreciate it.

Moving on, this is how we intend to take today's Conference Call forward. I will pass on the dais to Mr. K. A. Joseph, our MD, who will make his opening remarks, and then hand it over to Mr. Sanjay Thapar – our Group CEO and Executive Director, who will take you all through some of the slides of our presentation that has been uploaded on the Stock Exchanges as well as on our website.

Mr. Sanjay will take you all through the industry view, our business performance and then give a strategic outlook for the future growth of the Company at the end. And Mr. Mahendra Naredi, our Group CFO, will update you all on our financial highlights, post which we will open it up for Q&A.

The duration of this call is around 60 minutes and we will try to wrap up our comments in about 20 minutes, so that we leave enough time for you all to ask questions. If the time is not enough, please feel free to reach out to us through email or write to us, and I will try and answer all the questions to the best of my ability.

Thank you once again. And I will now hand it over to Mr. Joseph to make his opening comment. Over to you, Joseph.

**K.A. Joseph :** Thank you, Devanshi, for the introduction. Hello and good morning, everyone. I trust you all had a chance to look at our investor presentation and the results published yesterday.



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Before we start, I would like to inform you all that Exotech Plastics Private Limited has now been renamed SJS Decoplast Private Limited.

India's automotive sector sustained its upward trajectory in FY 2025, reaffirming its role as a key pillar of economic growth. The industry contributed 7.1% to India's GDP and is now the fourth largest global vehicle producer, supported by strong consumer demand, infrastructure advancements and progressive government policies. In line with this momentum, SJS continued to set new benchmarks, delivering its 22<sup>nd</sup> consecutive quarter of outperformance, with a notable Y-o-Y growth of 9% in the automotive segment, exceeding by over 1.5x the industry's production volume growth of 5.7% Y-o-Y.

SJS surpassed the Rs. 2,000 million milestone in quarterly revenue for the first time. Consolidated Q4 revenue stood at Rs. 2,005.1 million and maintained strong profitability despite market challenges. Top line performance was driven by strong growth in the passenger vehicle segment and prudent financial management and operational excellence ensured robust cash flow generation and a strong net cash position at year-end.

Aligned with our vision for growth, capacity expansion initiatives are progressing well with SJS Decoplast facility at Pune on track for commissioning in H1 of FY26. This milestone will enhance manufacturing capabilities and meet growing demand for premium chrome-plated and painted products.

With sustained financial strength, SJS remains committed to driving long-term shareholder value. The Company's strong cash flow supports strategic expansion, including CAPEX investments in the cover glass and chrome-plating business. Our strong balance sheet and cash flows have enabled us to reward our shareholders for their unwavering support. And I am happy to inform that SJS has declared a final dividend of 25% of the face value.

Moving ahead, we remain committed to innovation and leveraging our advanced in-house design and R&D capabilities to develop cutting-edge solutions for our customers.

With that said, I would now like to hand over the call to Sanjay to take you through some of the business and industry highlights for the quarter. Thank you and over to you, Sanjay.

**Sanjay Thapar:**

Thank you, Joe. Hello and good morning, everyone. We are pleased to announce yet another quarter of strong performance across operation and financial parameters for the Company. The strategic initiatives we implemented at the start of the fiscal year have delivered impactful results and will continue to build momentum in the coming quarters.

Coming to some key updates:

In Q4 FY25, the quarter was marked by yet another quarter of better than industry performance by SJS with a consolidated revenue growth of 7.3% Y-o-Y to Rs. 2,005.1 million. This growth was led by a strong performance in the passenger vehicle segment. SJS automotive business, both two-



wheeler, four-wheeler combined, grew 9% Y-o-Y compared to 5.7% Y-o-Y growth in the industry production volumes.

The Company delivered a robust margin performance as consolidated EBITDA grew 6.6% Y-o-Y to Rs. 528 million with an EBITDA margin at 26.1%. PAT grew 24.1% Y-o-Y to Rs. 337.3 million, with margins at 16.8%.

I am extremely happy to share that we have had a breakthrough with Hero MotoCorp business, and in April '25 we were awarded businesses across multiple models that should significantly add to our trajectory of growth. This win, positions SJS as a trusted supplier to now all leading two-wheeler OEMs and reinforces our market leadership.

Growing export business remains a strategic priority for SJS with an impressive 17.6% Y-o-Y growth in FY25 due to the robust growth in our overseas passenger vehicle business. Successful new business awards in export markets have opened large global opportunities for SJS. Due to significant new business opportunities, we plan to invest an additional capex of around Rs. 40 to 45 crores during FY26 to increase production capacity at our SJS plant in Bangalore.

Now, much as we are focused on our business, We are equally committed to embedding ESG principles into every aspect of our operations. Our efforts have yielded significant progress with CRISIL upgrading SJS ESG score. One of our key initiatives in FY25 for ESG includes a partnership with Amplus to secure 4.65 megawatts of solar power for SJS Decoplast and Walter Pack India. With this, around 60% of our overall energy needs across all our plants will come from renewable sources. ESG for us is not just a moral responsibility, but a commitment that will create value for stakeholders and ensure sustainable growth. A dedicated ESG committee oversees our alignment with these goals.

At SJS, our commitment to community well-being drives meaningful change through targeted initiatives. This year, we enhanced educational infrastructure and facilities for about 775 children by renovating the Karnataka public schools at Kaggalipura and Saluhunase and distributed school supplies across five schools. Prioritizing health, we conducted medical check-ups for more than 500 villagers in Pune. This is in addition to our ongoing efforts in education, sanitation, sports, and vocational training to empower underprivileged women and other communities.

In March 2025, we received three ACMA awards for excellence in manufacturing, excellence in new product development, and also excellence in ESG.

I would now like to hand over the call to Mahendra – our Group CFO, to update you on all SJS's financial performance before I talk about a future growth outlook. Over to you, Mahendra.

**Mahendra Naredi:** Thank you, Mr. Thapar. Good morning, everyone.

Let's delve into the financial snapshot:



Slides #13 to 16 provides a concise overview focusing on the consolidated picture of SJS. In Q4, our consolidated revenue reached Rs. 2,005.1 million, showcasing growth of 7.3% Y-o-Y. This performance is attributed primarily on the back of strong business growth in passenger vehicles.

Moving to EBITDA:

We achieved Rs. 528 million, representing a Y-o-Y growth of 6.6%, with a robust margin of 26.1%. Our consolidated PAT for the quarter stood at Rs. 337.3 million, demonstrating a Y-o-Y growth of 24.1%, with PAT margin standing at 16.8%, primarily due to lower finance costs and the lower tax expenses.

On a full-year basis, SJS delivered 21.1% Y-o-Y growth in revenue to Rs. 7,604.9 million on the back of strong performance in passenger vehicle and consumer segment. EBITDA grew 27.1% to Rs. 2,032 million with a margin of 26.4%, and margin expansions by 129 bps. PAT stood at Rs. 1,188.3 million, witnessing a Y-o-Y growth of 39.2% and margin improved by 203 bps to 15.6%.

The Company has strong cash flow generation which has positively impacted our consolidated ROCE, which stands at 25.7% and ROE at 17.2%. In FY25, we generated strong operational cash flows amounting to Rs. 1,630 million with free cash flow reaching Rs. 1,232.9 million. Additionally, cash and cash equivalents stood at Rs. 1,150.1 million, positioning the Company with a net cash balance of Rs. 991.7 million. Strong free cash flow strengthened our ability to pursue future growth and strategic investments.

As you are aware, with the addition of Walter Pack India products in our portfolio, we have penetrated deeper with our new generation products that contribute around 28% of our consolidated revenue during FY25. WPI acquisition has effectively helped us to balance our portfolio across two-wheeler, passenger vehicle and the consumer segment in the right manner.

During FY25, exports grew 17.6% Y-o-Y to Rs. 567.9 million, constituting 7.5% of our total revenue. Both SJS Decoplast and Walter Pack are primarily domestic business, and hence exports as a percentage of consolidated sales are at 7.3% in Q4.

Driven by strong financial performance, SJS is paving a path for sustained expansion, capitalizing on cash flow generation to drive strategic growth. Capacity expansion and strategic initiatives reinforce the Company's industry leadership while demonstrating a steadfast commitment to long-term value creation and sustainable growth.

I would now like to hand back the call to Mr. Thapar to discuss about our future plans and growth outlook.

**Sanjay Thapar:**

Thank you, Mahendra. Moving to our outlook for future growth. At SJS, we are extremely well-positioned for sustained growth, driven by strong financial performance and a clear vision for the future.



Our cash flow generation supports our ongoing capacity expansion plans. These initiatives are designed to meet the growing needs of our business and deliver optimum returns, reinforcing our position in the market. With our current order book at around 85% of the forecasted FY26 revenues, we are well equipped to capitalize on these emerging opportunities.

A key focus of our strategy is the expansion of our global footprint with the target to increase our share of exports and our consolidated revenues to 14% to 15% by FY28. We are actively working towards this goal by expanding into new geographies, deepening our presence in existing markets and introducing new products tailored to the needs of global customers. This will not only broaden our growth prospects, but also enable us to diversify our customer base, paving the way for new cross-selling opportunities.

Our commitment to innovation and advanced technologies remains at the core of our strategy. We continue to build capabilities to develop next generation products that meet the evolving needs of various industries. Contribution from new generation products in FY21 was 13% of our total revenue, and now it has more than doubled to close to about 28% of our total revenue in FY25.

This focus on product aesthetic and performance, coupled with our expanding product portfolio, ensures that we remain at the forefront of the market, delivering high quality and cutting edge solutions to our customers. We continue to build relationships with mega-customers and industry leaders like Hero MotoCorp and Stellantis, and premiumization remains a key pillar for our growth strategy.

Entering the cover glass business opens up a new vertical for growth for the Company by focusing on high-end value-added offerings. We target to outperform the underlying industry growth yet again by about two times this year. With a diversified customer base and a robust order book, SJS is well-positioned to drive sustained growth and continue to create long-term value for our stakeholders.

With that said, I come to the end of my quarterly updates. Thank you. We are now open to answer questions.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Ganeshram from Unifi Capital. Please go ahead.

**Ganeshram Rajagopalan:** Thank you for taking my question and congratulations on an excellent set of results. I have three questions. The first one is, is there any impact from the tariffs on our product portfolio and on our export side? Do we have any communications from Stellantis or Whirlpool regarding the same?

**Sanjay Thapar:** As I have answered earlier, so far we do not have any notification from any customer. And as I have said earlier, these tariffs, I think India is at the lower-end of the tariff spectrum. So most of the competitors that we have are going to be equally if not more taxed in terms of these tariffs. So clarity from President Trump still has to emerge. But overall, I think it is not going to have any negative impact for us because India is not worse off than so many other countries that export to the U.S. market.

**Ganeshram Rajagopalan:** Understood. Thank you. So nothing from Stellantis and Whirlpool regarding this, so they are okay?

**Sanjay Thapar:** Nothing for the moment.

**Ganeshram Rajagopalan:** Okay. Understood, sir. And then the second question is just, if you could give us some granularity on the order from Hero, right. I understand they would have probably had another supplier, so how exactly did we position our product? What products are we supplying to them? How did we displace the existing supplier? And any details around the quantity and duration and the expected ramp-up of this order, please?

**Sanjay Thapar:** So Hero has been the leader in the two-wheeler industry in India. It was on our radar for many years. We were knocking patiently on their doors. They had audited us in the past. They liked us, but for certain reasons unknown to us, we did not supply for so many years. This time around, Hero came to us in April last month and requested us to quickly ramp up our supplies. So we have been awarded businesses. We have got purchase orders and we have started supplies to Hero. So this, as you can understand, opens up big doors for opportunity for us. So the products that we will supply to them to start with are going to be decals and logos. But of course, as you know, at SJS we have multiple products, so there are ample opportunities for cross-selling as well.

**Ganeshram Rajagopalan:** Understood, sir. And any quantification of the opportunity that Hero has presented us with?

**Sanjay Thapar:** Look, we map the entire market, not only in India but with all the customers. So Hero currently buys about Rs. 250-odd crores of decals and logos, so we hope to win a significant share of that business. In addition, we will pursue some cross-selling opportunities as we ramp up supplies to Hero. So the outlook is very promising.

**Ganeshram Rajagopalan:** Understood, sir. And my last question is, just if you could give us an update on where we are with capacity utilization across the plants. And for the new capex that is being put up, one for the cover glass and the other one if I am not wrong at Exotech, what is the revenue visibility we have for the new capex?

**Sanjay Thapar:** So Mahendra, maybe you could answer this?

**Mahendra Naredi:** Yes. Ganesh, regarding the capex utilization, in SJS we are close to around 70%. In the SJS Decoplast which was earlier Exotech, we have our plant which is running 95% kind of a capacity. We are working with outsourcing model at this moment and that is why we are expanding our capacity. We allocated Rs. 100 crores for the expansion and this expansion is in progress at this moment. And we are hopeful that in H1 it will get completed. Walter Pack, somewhere 75% kind of utilization we are currently doing it.

Your question was regarding the turnover out of the Exotech. So when we make a plan to set up the Exotech expansion, we thought that we will be able to achieve the double the turnover what we currently achieve in FY24. So close to Rs. 320 crores kind of a turnover we can able to generate with the new expansion.

**Ganeshram Rajagopalan:** Understood, sir. And on cover glass, do we have any visibility in terms of customers on the new capex and how it would ramp-up?

**Mahendra Naredi:** On the cover glass, we have allocated the capex for Rs. 40 crores which is going to happen during this year and the next year. Regarding the order, I will request Mr. Thapar to give the color.

**Sanjay Thapar:** Yes. As you are aware, cover glass is a subset of a larger product called a display, the center stack display in cars. So at the moment, there is only one Company, Visteon, which assembles cover glasses. Rest of the displays are imported. And in the Visteon cover glass, we have a relationship with Visteon for many years. So the first target for us is Visteon. They are currently importing the cover glass. But as you can imagine, this is a new category of component for Visteon global teams to source out of India. So there are multiple checks and tests that they do.

But essentially, we will target Visteon for the first business. But then once we localize, I am sure as and when assemblies of displays in India grows, SJS will be at the forefront to be a leading supplier of cover glass not just to Visteon but other assemblers as well. So that's a long runway to growth. Because displays as a category is a sunrise area in India. And it will be an import substitution effort which of course you can all understand is supported by the government.

**Ganeshram Rajagopalan:** Right. So my understanding from what you are saying is that, I completely understand on the product side, I mean, just on the specifics with Visteon is that, we are expecting to get orders from them but nothing is still firm at the moment, but we are well placed?

**Sanjay Thapar:** Yes, there are developments that happen. We have given sample, they are evaluating all that. So it's a process that continues, but we are on track.

**Ganeshram Rajagopalan:** Okay, sir. That's it from me. Thank you, sir.

**Sanjay Thapar:** Thank you.

**Moderator:** Thank you. Next question is from the line of Basant Patil from TCG Asset Management. Please go ahead.

**Basant Patil:** Yes, thanks for the opportunity, sir. And congratulations on the very good set of numbers. Sir, just wanted to clarify, how do you see the passenger vehicle growth, actually? All the OEMs are a bit skeptical on the volume growth this year, so how do you see which will not affect our revenues, especially on the passenger vehicle contribution?

**Sanjay Thapar:** So, you guys are of course more tuned in to the industry data. Largely, let me summarize, it depends on customer-to-customer, but overall, we expect the two-wheeler growth this year to be in high single-digits and the passenger vehicle growth to be mid single-digits. So, that having been said, a key theme that we drive at SJS is premiumization. So, what is very interesting to know is that within this mid-teen or high-teen number, the premium products outsell the plain vanilla products.

So, at SJS, we target at premium products because those are beneficial for the OEM in terms of margins. They earn more margins there. And at SJS also, our business is primarily addressed to that segment. So, I think we are fairly well-poised. Industry is something that is cyclical. It goes up and down, depending on the economic sentiment in the country, the monsoons, etc. But overall, I think that's what I just said earlier in my remarks. We expect 2x growth vis-à-vis industry volumes for the current year as well.

**Basant Patil:** Okay. Sir, while talking you commented we would be expecting to launch a couple of new products. So, can you throw some elaboration on these, what would be the new products we would be getting into?

**Sanjay Thapar:** So, I would like to distinguish between new technologies and new products. So, at SJS, we have a very strong development capability and new products are launched every month. So, in terms of new technologies, what was said earlier, cover glass in the domain of displays, IML, IMD products of those technologies we have already started supplying. So they are not new, new. But a product for a new application is new, so that is the overall context to it.

**Basant Patil:** Sir, just one last question. So, as we are close to now net cash of almost close to Rs. 99 crores or Rs. 100 crores, so, is there any thought of going acquisition to grow aggressively, any thought from the management side?

**Sanjay Thapar:** So, what we envisage is that we generate a lot of free cash, so close to about 80% of EBITDA gets converted to cash flow from operations. And at the end of FY26, we see ourselves, despite these capex that we are doing, still to have a good financial position. So, at that point, at the end of this year we are, of course, on an ongoing basis looking at opportunities to acquire companies. We are waiting for the dust to settle around direct investments announced by the U.S. So, as I mentioned earlier, U.S. is a big market in our radar for a while now. So, by next year is when we think that we will actively work on an acquisition. At the moment, we are collecting gunpowder.

**Basant Patil:** Okay. Thank you, sir. I wish you all the best.

**Sanjay Thapar:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Suraj Malu from Catamaran. Please go ahead.

**Suraj Malu:** Good morning, sir. Thank you for taking my question. My question is around the 2x volume growth guidance which you have given. Given that the kit value as per your presentation is growing, because legacy value was 1,200 to 1,500 and it is growing to 4x to 6x of that. So, why is that growth only 2x the volume? And you are also selling to premium vehicles which are also faster than the industry volume. So, given all these growth levers, why is still the growth only 2x of the industry volume?

**Sanjay Thapar:** So, while we are doing work at our end and we are ready with these products, ultimately it is when a customer launches these products and vehicles, it is in a phased manner. So, as I said in my

previous call, OEMs want to introduce the most premium models with some high-end features. And then they want to distinguish between model to model, so they want a menu card of options of a little less features in the mid-segment. And the lowest segment has a bare-bone structure or just a minimal aesthetic or high-value aesthetic parts. So, that is a trend that is existing in the industry for a long time.

And as I said, our forecast of growth, especially performance for this year depends on when those models come into serious production. So, while we are winning businesses, very strong business acquisition, very good interest in customers to acquire these, they happen step-by-step. And as I said, in the high-end models first and then they percolate down the portfolio of the OEM. So our best guess at this moment is, that given the order intake that we have and given the new model launch schedules from our customers, we expect the growth to be 2x of the industry growth. Potentially it can be much more, if OEMs introduce high-end models earlier. Theoretically you are right, our Kit value has expanded very significantly. So I think we will come to a day where all those efforts will bear fruit.

**Suraj Malu:** Got it. Sir, if I may ask one more question, what would be the addressable market for the IML, IMD business in India, which we get let's say Rs. 166 crores roughly in FY25?

**Sanjay Thapar:** So IML, IMD is relatively new to the Indian market. So there are customers, loyal customers like Tata Motors, which have introduced a new generation of products and they start using it. I mean, it is still a developing market, so it would be unfair on my part to say what would be the content, but let me give you an idea. We supply products varying from Rs. 500 a vehicle to close to about Rs. 5,000 a vehicle, depending on what is the specification of the vehicle finalized by the OEM.

So theoretically, all vehicles could have something, if I take a mean value of about Rs. 1,500 odd for a vehicle, so multiply that by 4 million vehicles and you can do your math. But this is a simplistic back of the envelope calculation. The right way to go about it is, for the OEM, as I said, they distinguish between models. So they do not introduce this technology or will not introduce this technology immediately across models. But I would imagine that over the next two, three years this will percolate down to the mid-segment and even the entry-level vehicles. So, the potential is huge and that's the reason why we invested in Walter Pack.

**Suraj Malu:** Understood. Thank you, sir. That's all from me.

**Sanjay Thapar:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Hitesh Goyal from Riddhesh Advisors. Please go ahead.

**Hitesh Goyal:** Thanks, sir, for taking my question. Sir, my question is on the export business side. On Stellantis you have won three programs, you had said, in the concall. So can you tell us how are these programs ramping up this year? At what timelines are they ramping up?

- Sanjay Thapar:** So we have answered this question earlier. So it's close to about Rs. 300 crores business over the next seven to eight years. And supplies for the first models will start from Q2 of this year and they gradually ramp up. So, I would imagine it will be a year before full volumes start coming in. So, that's the answer to your question.
- Hitesh Goyal:** So, basically by FY27 we will see the Rs. 50 crores, Rs. 40 crores kind of run rate, which we are talking about on an annual basis?
- Sanjay Thapar:** Yes, that's a fair assumption.
- Hitesh Goyal:** And on Whirlpool also can you give us the same timeline? Whirlpool, you talked about Rs. 50 crores order, which is coming in five years, right, so that is also wrapping up next year?
- Sanjay Thapar:** No, that should again start from this year. So, we will start supplies again by about Q2. So that, yes, we will start this year and continue over the next four, five years.
- Hitesh Goyal:** Okay. And sir, basically, when I see Walter Pack's revenue growth this quarter, it's only 7%, right, because your biggest customer Tata Motors did not grow much. But you have also won significant orders on M&M and Maruti in Walter Pack, right? So, has the M&M BEV orders come through in this quarter? Because you would have supplied beforehand for the launch? Or that will happen in the next quarter?
- Sanjay Thapar:** No, no. So, we have developed, we have started supplies to the Mahindra & Mahindra Born Electric range of vehicles, so that is true. But again, coming back to the overall numbers of Walter Pack, I said this in my call earlier and I would repeat it here. Think of SJS as an integrated Company with multiple technologies at multiple plants. So, we take strategic decisions what product to offer to which customer. So, I would encourage you to look at us as a whole rather than sum of the parts. So, do not look at individual performances because there is a lot of activity that we do to generate operational leverage at multiple plants. So, there are some processes done at one plant, billing could be done from some other plant. So, that's a business decision that we take. So, again, my request is to look at us holistically rather than look at individual businesses.
- Hitesh Goyal:** Okay. And my final question on Hero, you said that they take around Rs. 250 crores as their bills of materials in decals and logos. So, are you supplying to every model of Hero now or it will be in the phased manner?
- Sanjay Thapar:** This is confidential information, but many, many models. So, you can guess.
- Hitesh Goyal:** Okay, sir. Thank you.
- Moderator:** Thank you. We take the next question from the line of Abhishek Kumar Jain from AlfAccurate. Please go ahead.
- Abhishek Kumar Jain:** Thanks for the opportunity and congratulations for adding Hero MotoCorp to your client list. Sir, on standalone margins, in this quarter we have seen a correction of 200 bps on Q-o-Q basis and



the employee expenses have gone up. So, is there any one-offs in the employee expenses? And how would the margin structure be in the external basis?

**Sanjay Thapar:** Yes, Mahendra is going to take it.

**Mahendra Naredi:** Yes, Abhishek, the margin has gone up. We are comparing Q-o-Q basis. We have all operational efficiency that has driven the increase in the margins. In the employee expenses, largely you are seeing, we have issued new ESOP grant that impacted by around Rs. 3.5 crores for the quarter. So that's why you are seeing a higher amount into the employee expenses.

**Abhishek Kumar Jain:** So, from next quarter it will be normalize?

**Mahendra Naredi:** Yes, it is a normal expenditure. But yes, this quarter would be a higher number. In the next year or next quarter you will see a lower number.

**Abhishek Kumar Jain:** So, in Exotech business we have seen a growth of 27% Y-o-Y, so what is the reason? And we are expecting to generate around Rs. 320 crores from Exotech, will it be achieved by FY27?

**Sanjay Thapar:** So, our target, as I said earlier, one reason for why are we growing? So, we are growing because we work very hard here. So, we approach all customers and that is why business grows for us. Where customers are happy with us, that is the underlying reason for growth. The second reason is, when will we reach this target? So, we are building capacity. Typically, our investment thesis is that we should, for all the new investments that we do, our ROCE should be upwards of 20%. So, we are very mindful of that in terms of balancing what are the focus for growth for the business vis-à-vis the investment that we do. So, typically we have let's say increased sales by close to about 2.5x over the last three years in SJS Decoplast. And moving forward, we again hope to double sales in the next three years.

**Abhishek Kumar Jain:** Okay. And my last question on the amortization side that every quarter there is a Rs. 70 million impact on the PAT level because of the intangible asset on our WPI. So, will it go down from FY26 onwards or it will have a positive impact on FY27 onwards?

**Mahendra Naredi:** Abhishek, this is amortization on the intangible asset, yes, it is going on. It will get reduced after the period of three years, so what you said is right.

**Abhishek Kumar Jain:** So, you can get the benefit in FY27, will it start to go down in FY27 or FY28?

**Mahendra Naredi:** FY27, I mean, it will continue for a period of 10 years, but some amount will go down in FY28.

**Abhishek Kumar Jain:** Okay, sir. Thank you.

**Moderator:** Thank you. Next question is from the line of Pradyumna Choudhary from JM Financial. Please go ahead.

**Pradyumna Choudhary:** Yes. Hi, congratulations on a good set of numbers. My first question is, in Q4, if you look at consumer segment, that seems to have been weak compared to our overall growth. So, is it in line

with the industry or is there any specific headwinds you are witnessing, especially given that in recent times we have added a few big customers on this side. So, could you give some data and have supplies to these customers started already?

**Sanjay Thapar:** So, I would say that, quarter by quarter there are quarters where demand is a little soft. But overall if you see, our consumer business grew strongly. For the full year, if I compare by FY24 to FY25, we have demonstrated strong growth. There are pockets where demand has been soft. For example, Europe, consumer demand has been a little soft. We hope this will come back. There are ongoing challenges in the European market. But overall, we are still quite bullish because, again, our focus really is to provide products to high volume segments. And consumer businesses still continue to be strong. We have, of course, Walter Pack, which supplies to the consumer electrical space. And that is a space that is also growing.

So overall, I am fairly confident that there is a long term growth story in consumer. There could be a quarter-to-quarter variation, of course, in terms of the demand from these customers. Nothing major has gone away or it is just business as usual. We continue to knock on the doors of large customers in Latin America, in North America as well. And we have had some notable wins. So we hope to continue that momentum.

**Pradyumna Choudhary:** Understood. And my second question is, any particular reason why, like you spoke about how Hero we have been knocking on their doors since a long while, and they had actually been in an exclusive contract with their traditional supplier for supply of these parts until now. So, are you aware of any particular reason why Hero has decided to give business outside their traditional supplier? And did I hear it right previously that Hero's bill of materials for decals and logo is around Rs. 250 crores? That's my second question.

**Sanjay Thapar:** Yes. So, I would not like to comment on competition. They may be having their own challenges. I do not wish to comment on that. So, it's a decision by Hero. They have realigned their supply chain and they recognized that we are a dominant player in the industry, supplying to everybody. So, yes, we have been knocking on their doors and we have been successful. So, I think there are virtues of being patient and being focused on what you continue to do. So, we show the market our capabilities rather than worry about competition so that has been validated by Hero. And yes, you heard right, so approximately their buying for decals and logos is around Rs. 250 crores. That's my best guess. And so that's the answer to your question.

**Pradyumna Choudhary:** Alright. And last question is, so in terms of two-wheelers, we are largely matching the industry growth, right? And even within two-wheelers, if one looks at the data, 125cc and above segments seem to be growing faster. And despite that, we are not really outperforming the industry growth. So, would it be right to say that within two-wheelers, the premium bikes do not really have that big of a delta in terms of kit value?

**Sanjay Thapar:** No, you cannot generalize. So, there are some premium bikes where the content is as high as about Rs. 1,000 per bike. So, that is not universally true, so you cannot draw that conclusion. It depends on the market positioning that specific OEMs have. So you have competitor to Harley Davidson, Bajaj has some high cc bikes, TVS has high cc bikes, and of course Royal Enfield exists there in

that space. So, they have quite a large content on those. Overall, their volumes will be lower than the lower cc segment. But high value segment ticket size is larger per bike.

Now, coming back specifically to your question that where are we, what was the second question? I lost the thought. Sorry, could you repeat?

**Pradyumna Choudhary:** What was the content.

**Sanjay Thapar:** So content-wise, there is not a generalization that you can make.

**Pradyumna Choudhary:** Okay. Okay. Understood. Thank you. I will rejoin the queue.

**Moderator:** Thank you. We take the next question from the line of Himanshu Singh from Baroda BNP Paribas Mutual Fund. Please go ahead.

**Himanshu Singh:** Hello. Hi, sir. Sir, again coming back to the two-wheeler segment of ours, so do we supply to the scooters segment as well?

**Sanjay Thapar:** Yes, we do. We supply to conventional ICE scooters as well as EV scooters. But the major amount of decals are used by the motorcycle segment. So the earlier caller also had wanted to know our performance. So I have been maintaining all along that two-wheelers, our growth will be organic. Now, of course, with this hero business, we have an opportunity to outperform the market in that segment because there will be a new customer and a very large customer that we are adding. But essentially, we do supply to two-wheelers, though decal content in motorcycles is higher. So we are more aligned to motorcycles. So motorcycles is the large market that we address. So benchmarking our growth, blended two-wheeler, scooters and motorcycles, we said that we will grow at the industry rate of growth.

**Himanshu Singh:** Okay. Okay. Sure. And sir, coming to the export side, we want to double it in the next two years, right, by FY26?

**Sanjay Thapar:** No, I am not saying we will double it. So what I have guided is 14% to 15% of our sales in FY28 will come from exports. So that is the statement I made.

**Himanshu Singh:** Yes, so double in terms of the mix which we are doing currently, right, so around 7% we do. So first, is the realization much higher on the export side? And also on the profitability, if you can just comment a bit.

**Sanjay Thapar:** Yes, export business is more profitable. As I said, the competition landscape there is with foreign companies. And I have mentioned earlier, we have some skill sets at SJS, we have been doing printing for the last close to 35 - 40 years, so we are more efficient. It is a labor intensive product apart from a very complicated product line because you have to have a batch mode of manufacturing processes. We handle a large amount of SKUs.

So these overseas customers are, what we have observed over the years, is that they do not have that skill set to manage that complex product mix. So yes, we are at an advantage globally and we

hope to grow that business. So, all printed related businesses which are fairly manpower intensive in terms of inspection and in terms of the manufacturing process. India has an advantage vis-à-vis export to foreign competitors. And, yes, my margins are better because I have to compete with those and their margin profiles because their manufacturing cost tends to be higher than ours.

**Himanshu Singh:** Okay. Sure, sir. Thank you so much, sir.

**Sanjay Thapar:** Thank you.

**Moderator:** We take the next question from the line of Smit Shah from Monarch Networth Capital Limited. Please go ahead.

**Smit Shah:** Congratulations on a good set of numbers. My question is on the capex front. What is the capex guidance for this year and the next year? Along with that, if you can just mention how much of the cover glass capex amount has been spent? And when are we expecting the Rs. 40 crores to Rs. 50 crores capex in the standalone business to get completed?

**Mahendra Naredi:** Okay. Smit, regarding capex, in the previous question also we explained that of the overall capex, largely it is allocated for Exotech, which is now SJS Decoplast, we allocated Rs. 100 crores kind of a fund. Around Rs. 30 crores we have incurred out of that, remaining Rs. 70 crores is going to happen during this financial year. Apart from that, glass business, so far we have taken a building on lease, and there were some modifications currently going on. We allocated Rs. 40 crores for this expansion. We incurred very nominal amount so far. But yes, this Rs. 40 crores is going to happen during this year and the next year.

Third is, we just now have announced about this new capex in SJS for creating more capacity. So we have allocated around Rs. 40 crores to Rs. 45 crores, that is going to happen during the FY26. This is all the special capex, apart from that we have the maintenance capex which closely Rs. 15 crores to Rs. 20 crores per annum we are going to do it. So that is kind of a capex we are thinking, we are planning. If I say in a number point of view, Rs. 150-odd crores for FY26. And if I talk about three year scenario, close to Rs. 220 crores capex allocations we are going to do.

**Smit Shah:** Okay. And the cover glass capex, we were earlier planning the commissioning by this year-end, FY26 end. By when are you expecting that to happen?

**Mahendra Naredi:** So, like I said, we have already taken a building on lease. The modification is already going on. But yes, we are working on the plan, we are on track, we will be commissioning by end of this year.

**Sanjay Thapar:** Okay. The question was, just to get that question, so the cover glass is a part of a display. So we are at this moment looking at opportunities not just for the cover glass but also the possibility of does it make sense for us to play a larger role in the display market. So this facility of course is common, whether it is a display completely or it is cover glass. So cover glass is a part of a display. So we are actually reworking our plans to decide the optimal mix of equipment that we need as these opportunities unfold.

So as Mahendra said, we have taken a shed close to about 97,000 square feet. So instead of investing in a building on our own, we said let's conserve cash and basically use that for productive purposes in terms of equipment. So this is the current plan. Our negotiations with customers are ongoing and so we will tweak our investment plan basis this. And coming to your question, when do we start supplies out of this plant, would depend on how this goes. So there are some very promising discussions that we have, but at the moment we want to address what the market really needs. So we are at that phase in our display or cover glass business.

**Smit Shah:** Okay. Thank you for your time.

**Sanjay Thapar:** Thank you.

**Moderator:** Thank you. We take the next question from the line of Shrinjana Mittal from RatnaTraya Capital. Please go ahead.

**Shrinjana Mittal:** Hi, thank you for the opportunity. I have a couple of bookkeeping questions. So in this year, there is some assets held for sale in the other current assets, other non-current assets, what is that with respect to, can you give some color on that?

**Sanjay Thapar:** Yes, so this is the old plant that we had. So when SJS started we had a plant which is about 5 - 6 kilometers from our current factory. So, we built this modern state-of-the-art plant in 2018 and we relocated equipment there. We were holding that plant to see if we could put that to some productive use over the last so many years. But we have taken a decision that given the new business horizon that we have, it may be worthwhile to go in for a greenfield plant in a new location. So, that is why what you see in the books is the old factory that we have, which we are looking to dispose of.

**Shrinjana Mittal:** Understood. That's very clear. Thank you. Just one more question. On the ESOP plan, so in this year probably around Rs. 8 odd crores is the ESOP charge to the P&L, right? Firstly, is that correct? And going forward, what are the expectations? What is the ESOP charge going to be?

**Mahendra Naredi:** Yes. So you are right. For the entire year around Rs. 8 crores, and it would remain for the future also.

**Shrinjana Mittal:** Okay. Got it. Thanks. Thanks for taking my question. And all the best.

**Sanjay Thapar:** Thank you.

**Moderator:** Thank you. We move to the next participant. The question is from the line of Prateek Giri from Subh Labh Research. Please go ahead.

**Prateek Giri:** Hi, everybody. Thank you for the opportunity and congratulations for great set of numbers. Mr. Naredi, I just wanted some more clarification on the capex of Exotech. I believe we are aspiring to start it within next two - three months, probably by July or August, or September this year. But if you look at the financial progress of the capex, we are yet to utilize Rs. 70 crores. So if you can

throw some more light whether the machines are being installed or are being ordered, is going to be prepared, if we can understand?

**Mahendra Naredi:**

Okay. So, you rightly said, we have allocated Rs. 100 crores for this expansion. Rs. 30 crores so far we have incurred. Out of which close to Rs. 16 - 17 crores for the land and remaining is for the civil and the PEB constructions are going on. So there are a couple of advances that have gone there. This erection process and the construction process was ongoing and we hope that somewhere in July or August it will get set up. And during this period, this amount will get incurred.

And the larger point was the machinery part. So machinery part, once the building is established, constructed, simultaneously the machinery are under development at the vendor's place and they will get installed. So, you will see that by H1 we will be ready with all this set up and the expenditure is going to happen during this current financial year.

**Prateek Giri:**

Given that we are already manufacturing in one of the Exotech plants, is it fair to assume that the ramp-up of the new capacity will be faster or should we assume that it will take some time before the commercial production starts in the upcoming quarters?

**Sanjay Thapar:**

No, no. So, yes, there will be trials that will happen. So there is a PPAP process or production part approval process that goes through. So we hope to start those trials by H1, as Mahendra just said. But this is an existing business. We know the plants are validated, and the processes are the same. So it will be a very quick ramp-up. So, we do not expect much challenges. Our business development team is already working on procuring new orders so that we can boost our sales from this new plant. Yes, so it will supplement our existing offers, and we hope to see sales from that plant in the current year itself.

**Prateek Giri:**

Yes. Thank you. Mr. Thapar, I just wanted to understand on WPI. Our last six, seven quarters that we see, the top-line has been moving in the range of Rs. 40 crores, Rs. 45 crores. So, how do we read into this? Because when the acquisition was made, the hope was high from this particular division. So should we assume that the cross selling opportunity for WPI has now peaked and there will be volume-led growth only for the segment? If you can help us understand on that.

**Sanjay Thapar:**

So two points to this question. IML, IMD technology is a cutting-edge technology which is expensive. So, it depends on the product mix of the customer where he wants this premium technology. We are betting that premiumization is a trend. The end consumer will want better and better products. So, we are pitching to OEM customers. And there are takes or there are customers where we are winning those orders. But as I said earlier, to the earlier question, this introduction or visibility of sales in the current year depends on the ramp-up schedule of the OEM. So, we have started, for example, supplying IML parts to Mahindra electric range of vehicles which is the first. Now, Mahindra will, of course, ramp up that production gradually and we will benefit from that.

The large part really is that it comes from when you have vehicles in the market there is a comparison that happens in terms of better aesthetics that leads to buying behavior. And this is what encourages OEMs to introduce this technology because it is demanded by the end consumer. This is a better looking product, more appealing to the end consumer. So, this is a process that will

happen. I think it takes time but in terms of technology, wherever we present this, people are very excited. These are high-cost products, so in terms of introduction in models it is the OEM's decision to say that which model will carry what content of IML parts. But strategically, there is a very bright outlook for IML.

In terms of cross-selling, as I said earlier, it again is a high-cost alternative. So, there are the larger segment in the passenger vehicle segment. So, we are supplying to Maruti Suzuki, we are supplying to Tata, we are supplying to Mahindra, we are supplying to some appliance companies also, and we are also wanting now to take this global. So, we have some customers and we are making efforts towards that as well. So, on the whole, I think it may take a little bit of time, but I think directionally we are bang on target.

**Prateek Giri:** Understood. So, it is fair to conclude that at this time, as far as product acceptance and costing and treatment is a concern, but it will definitely grow from here also?

**Sanjay Thapar:** Absolutely.

**Prateek Giri:** Understood. Just last question from my side, Mr. Thapar. We have been mentioning about mega accounts in our presentation for the last few quarters. I just wanted some numerical sense, without taking the names of the accounts if you can help us understand. In the current top line of Rs. 750 crores, what qualifies as a mega account and where it can reach from here? And how many potential accounts are there which can become mega accounts for us? I mean, some directional sense without naming the customers.

**Sanjay Thapar:** So, our definition of a mega account is that if the opportunity with that customer, maybe not the current sales, but if the opportunity for that customer across all markets, in India and overseas markets, is close to about 5% of our overall revenue, that qualifies as a mega account. So, we make baby steps to enter one market, prove our credentials, the customer tests us, but our pedigree is very good because we supply to all the marquee names. So, we inherently address customers where the potential is to be higher than 5% of our consolidated sales at any particular year. So, Hero MotoCorp, for example, is a classic example of a mega account that we have added and we will grow this. So, that is the definition. I hope that answers your question.

**Prateek Giri:** Yes, very clear. Always a pleasure talking to you, Mr. Thapar. Thank you for the opportunity and congratulations.

**Sanjay Thapar:** Thank you so much.

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

**Khush Nahar:** Hi, sir. Thank you for the opportunity. My first question is, as a percentage of revenue, how much are we supplying to the EV models? And is the realization better in EV compared to the ICE vehicles? And there's some color on the export side, how do we see exports panning out considering the tariffs? So, are we continuously adding new big customers? How is it playing out?

**Sanjay Thapar:**

Okay. So two parts to your question. What is our percentage of sales to EVs? So, essentially, EVs is a very, very small proportion at the moment in the overall scheme of things, so just about 3% to 5% of the market. And while we supply to many customers, it is a very, very small part of the current business, hopefully it will grow. As I said earlier, the display for EVs, the instrument cluster is changing shape and becoming a digital cluster. When the EV volumes ramp up, if its anybody has guessed, by 2030 it will be anywhere between 25% to 40% of the overall 2-wheeler production in India. So time, I think, it won't take time for that to grow. But we are positioning ourselves in terms of product capabilities, both in terms of cover glass and in terms of displays, and are banking on the EV growth to drive sales. So, as and when the market picks up, we will be ready that is what I can assure you. But at the moment, it is small.

The second part of your question was tariffs, which I think I have answered earlier. So, we are in a very strong position, strong position globally. Or if I were to moderate that statement a little bit, we are no worse than other countries which target export businesses, so famously as you heard, Chinese companies do a lot of exports to the U.S. market and they are much badly hit compared to India. So there are of course challenges that the OEMs have and they are de-risking by looking at sourcing more and more content out of other countries and India could be a beneficiary, irrespective of what happens to the tariffs. So I am not unduly bothered about tariffs because it is a relative position in terms of competitiveness in India, especially in the printing industry, I am not talking of all the components across auto components. But printed parts where we naturally have an advantage over the rest of the world, I think we should fare well.

**Khush Nahar:**

And the realizations are better in terms of EV model products compared to ICE?

**Sanjay Thapar:**

I mean, I do not comment on realization for product line. But overall you can see our numbers, we have been sustaining a good set of numbers in terms of our margins, and that margin has remained consistent even when we entered from the two-wheeler to the four-wheeler or we enter other products. So, our benchmark is that we should earn that sort of margin to allow us to invest in upgrading ourselves and getting into new technologies, and we will continue to do that. So the margins are pretty stable across different product segments that we supply.

**Moderator:**

Thank you. Due to time constraints, we take the last question from the line of Rajesh Kothari from Alpha Advisors. Please go ahead.

**Rajesh Kothari:**

Hello, Thanks for this opportunity. Good afternoon, sir, and great news of Hero entering as your customer. I just have two questions. The first question is, while of course tariff related questions you have made some clarifications, but just trying to understand if the same product is, let's assume, gets manufactured in U.S., then of course the tariffs are not applicable. So, for example, Whirlpool Global is one of the largest players in U.S. with, I would say, 85% to 90% manufacturing inside U.S. So, do you see any impact from the Whirlpool as your key customer if they, I mean I am just saying hypothetically, is there an incentive for them to do even this in U.S.? That's question number one.



And question number two is, in terms of there are a lot of new opportunities at the same time which are coming up on the various component side, and considering your domain in few segments do you see any new opportunity across your different verticals to cater to the global requirements?

**Sanjay Thapar:** Okay. So first part regarding Whirlpool and U.S. tariffs. So, it is important to understand that even in the U.S. market, the supply chains are spread across Mexico and Canada, okay. So it is not that U.S. manufactures in U.S. because those costs are prohibiting. So we do not see any full-bred U.S. Company operating completely out of U.S.. So they are dependent on, they have some labor intensive operations that happen across the border, but we are targeting acquisition of a Company in the U.S., so typically we see that the margins are far lower than us and those companies are not able to sustain or be competitive.

So, I do not think the tariffs are going to change that. Manufacturing in U.S. is not going to come back anytime soon. So even if, assume things go as per their President's plan, it could be still four, five years before U.S. gets into that sort of manufacturing. But printing is a very, very complicated process, so manufacturing may happen in other areas, but I do not think we have a threat from local U.S. manufacturing at all. So, I will go out on a limb and say that we do not think, or I do not think, in my humble opinion, that tariffs are going to negatively impact us in any manner. This is my view on the U.S. market. Sorry, you had one more question, part two question.

**Rajesh Kothari:** Yes, that question was new opportunities.

**Sanjay Thapar:** New opportunities, so we drive new opportunities all the while. So we have close to about 70 people in our Company working only on new product development, new technologies. So the cover glass business or the display business, now we are enlarging our vision, so that could be one opportunity. And if we start doing it, why not do it for a larger set of customers across the world. So this is how our business has grown. So we start with one location, introduce a product there, prove our credentials, quality, cost, delivery, and then the customers take us global. So this is typically what has happened with Whirlpool, with Visteon globally, and even Continental for that matter. So we concentrate on doing whatever we do to the best of our ability. And then invariably it has happened that the customer takes us overseas rather than us targeting overseas markets.

**Rajesh Kothari:** Great. Thank you, sir. Wish you all the best.

**Sanjay Thapar:** Thank you.

**Moderator:** Thank you. Ladies and gentlemen, in the interest of time, that was the last question. I would now like to hand the conference over to Ms. Devanshi Dhruva for closing comments.

**Devanshi Dhruva:** Thank you. I would like to thank everyone for joining on the call. I hope we have been able to respond to all your questions adequately. For any further information, we request you to please do get in touch with us. Stay safe, stay healthy and thank you once again for joining with us. Have a good weekend.



*SJS Enterprises Limited*  
May 09, 2025

**Moderator:**

On behalf of PhillipCapital India Private Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines.