**Amber Enterprises India Limited**
CIN: L28910PB1990PLC010265

Registered Office: C-1, Phase II,
Focal Point, Rajpura, Patiala-140401,
Punjab, India

P: +91 124 392 3000
E: info@ambergroupindia.com
W: www.ambergroupindia.com

Corporate Office: Universal Trade Tower,
1st Floor, Sector 49, Sohna Road,
Gurgaon-122018, Haryana, India

Date: 23 May 2025

To
Secretary
Listing Department

**BSE Limited**
Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
Scrip Code : 540902
ISIN : INE371P01015

To
Secretary
Listing Department

**National Stock Exchange of India Limited**
Exchange Plaza, Bandra Kurla Complex, Mumbai – 400 050
Symbol : AMBER
ISIN : INE371P01015

Dear Sir/Ma'am,

**Subject: Earnings Call Transcript for operational and financial performance of the Company for the quarter and financial year ended 31 March 2025 ('Q4 and FY25')**

This is further to our letter dated 13 May 2025 intimating the details of Earnings Call with Investor/Analyst (Participants) to discuss the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended 31 March 2025, ('Q4 and FY25') held on Monday, 19 May 2025 at 9:30 A.M. IST.

In this regard, we are enclosing herewith the Earnings Call Transcript. The same is also available on the Company's website at https://www.ir.ambergroupindia.com/news-events/investor-events/ for your information and for information of members / participants and public at large.

This information is submitted to you pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended. Kindly take the same into your records and oblige.

Thanking You,
Yours faithfully
For **Amber Enterprises India Limited**

Konica Yaadav
Digitally signed by Konica Yaadav
Date: 2025.05.23 15:53:42 +05'30'

**(Konica Yaadav)**
**Company Secretary and Compliance officer**
**Membership No. : A30322**

# "Amber Enterprises India Limited
# Q4 FY '25 Earnings Conference Call"
# May 19, 2025

*"E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 19th May 2025 will prevail."*

**MANAGEMENT:** **MR. JASBIR SINGH – EXECUTIVE CHAIRMAN, CHIEF EXECUTIVE OFFICER AND WHOLE-TIME DIRECTOR**
**MR. DALJIT SINGH – MANAGING DIRECTOR**
**MR. SUDHIR GOYAL – GROUP CHIEF FINANCIAL OFFICER**
**MR. SANJAY KUMAR ARORA – WHOLE-TIME DIRECTOR – IL JIN ELECTRONICS**
**MR. SACHIN GUPTA – WHOLE-TIME DIRECTOR**
**MR. RAVI KHARBANDA - HEAD INVESTOR RELATIONS**
**MR. ROHIT SINGH - HEAD OF CORPORATE AFFAIRS**

**Moderator:** Ladies and gentlemen, good day, and welcome to Q4 and FY '25 Earnings Conference Call of Amber Enterprises India 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 star then zero on your touchtone phone.

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 the guarantees of future performance and involve risks and uncertainties that are difficult to predict. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jasbir Singh - Executive Chairman, CEO and Whole-Time Director of Amber Enterprises India Limited. Thank you, and over to you, sir.

**Jasbir Singh:** Hello. Good morning. On the call today, I'm joined by Mr. Daljit Singh, our Managing Director; Mr. Sudhir Goyal, our Group CFO; Sachin Gupta, CEO of RAC and CAC division Whole-Time Director; and Mr. Sanjay Arora, President of Electronics division and Whole-Time Director of ILJIN Electronics.

We have uploaded quarterly presentation on the exchanges, and I hope everyone had an opportunity to go through the same.

I'm pleased to report FY '25 has been a phenomenal year both in terms of the performance and the progression of the company.

I'm delighted to report our total income crossed INR10,000 crores milestone and achieved ROCE of 19.5%, an affirmation of our long-term growth strategy and focused execution.

Let me talk about progression. First of all, we sincerely applaud the efforts of Ministry of Electronics and IT, MeitY, and Government of India for launching electronic component scheme, the scheme will be a key catalyst for development of robust component ecosystem, attracting new investment and generating employment in the country.

We plan to file an application under the PCB categories and finalizing our capex plan, which will be spent in phased manner over the scheme tenure.

In parallel, we are also finalizing the land for our new joint venture, Korea Circuits. The expansion of Ascent is progressing well in Hosur for bare board PCB. With new facility, the manufacturing capacity will more than double.

The journey of Electronics division, which began for capturing the technological shift in the AC industry from fixed speed AC to inverter AC, it is evolving as a unique full-stack EMS company with PCB-A vertical catering to diverse customer segments and bare board PCB vertical offering wide range of products, including high-end HDI and flex PCBs.

Further, considering the robust growth potential in RAC industry, we plan to augment component capacity at Sri City within existing plant.

In Railways, the construction is progressing well for Sidwal's greenfield facility for HVAC, Pantry, Doors and Gangways, and is expected to commence operations by Q3 FY '26. With regards to Yujin machinery JV, the construction is progressing well, and I'm pleased to announce addition of brakes to the existing product lineup of Pantograph, Driving Gear and Couplers.

Switching to consolidated performance. FY '25 has been a landmark year with the revenue from operations recorded a robust growth of 48%, reaching INR9,973 crores, clocking record operating EBITDA of INR796 crores, growth of 53% year-on-year and PAT of INR251 crores with outstanding growth of 80% year-on-year.

As guided 2 years back, we achieved the high-teen ROCE of 19.5% in FY '25, an improvement of 690 bps over last year. Our net working capital days for the year stood at 9 days through the efficient working capital management.

Let me take you through the divisional performance. The Consumer Durable division, which consists of RAC and its Components and CAC plus Non-RAC components. We delivered a remarkable growth of 46% year-on-year with revenue of INR7,329 crores driven by underlying RAC industry growth, conversion of new customers from gas charging to ODM and strong growth in the component business and CAC business. Blended growth of 46% is led by RAC, non-RAC vertical with 49% and 31% growth, respectively, and resultant record EBITDA of INR562 crores reflecting growth of 59% over last year. The commercial AC vertical has crossed INR200 crore mark and expanded its customer base with new additions reinforcing our market presence. We are optimistic about the growth outlook for the current year. With our strategic focus across the RAC, CAC component and non-RAC component verticals, we are well positioned to outpace the industry growth by a minimum margin of 10% to 12%.

Electronic division. Moving to Electronics division, I'm pleased to report we have clocked a stellar growth of 77% with revenue of INR2,194 crores for the year, surpassing guidance of 55%. The operating EBITDA more than doubled to INR151 crores, recording a growth of 119% year-on-year. The division reported remarkable ROCE of 26% for the year. On the margin outlook, we have travelled the journey of expanding our EBITDA margins from 2.8% in 2018 when we started Electronics division, to almost 7% last year.

Looking ahead, we are strategically adding margin-accretive applications such as industrials, auto, aerospace and defense, with an aim to reach 10% to 12% margin for this division over the next 2 years.

Coming to Railway division, our third division, which is Railway Subsystem and Defense. The division reported a revenue of INR450 crores with a decline of 6%. As guided earlier, that this will be a muted year, on the expected lines, owing to the delay in the offtake of the products. Backed by the strong order book and product portfolio expansion, we remain optimistic of doubling this division's revenue over the next 2 financial years.

Now let me hand over to Sudhir Goyal:, our CFO, for the financial highlights.

**Sudhir Goyal:** Hello, everyone. I'm pleased to report a strong performance of quarter 4 and full year financial year '25. Let me first take you through the quarterly consolidated financial highlights and the full financial year as well.

So full year, financial year '25. Let me take you through the full year financials '25 financials. Revenue for financial year '25 increased to INR9,973 crores compared to INR6,729 crores in the previous year, recording a significant growth of 48%. Operating EBITDA increased to INR796 crores against INR519 crores with a growth of 53% year-on-year. PAT has increased to INR251 crores compared to INR139 crores in previous years, reflecting a noteworthy growth of 80% year-on-year.

On the ROCE, we witnessed a strong performance, achieving a ROCE of 19.5% for the year, an improvement of 690 basis points over the previous financial year, reflecting capital efficiency and robust business fundamentals.

On the balance sheet front, net debt stood at INR780 crores against INR615 crores underscoring our disciplined approach towards capital efficiency. Our net working capital days stood at 9 days, an improvement of 31% from 13 days through proactive focus on working capital management.

Quarter 4 financial year '25, the consolidated revenue for quarter 4 financial year '25 grew by 34% year-on-year to INR3,754 crores compared to INR2,805 crores in previous year. And operating EBITDA increased to INR314 crores during the quarter compared to INR234 crores, reflecting a growth of 34%. Please note operating EBITDA is before the impact of ESOP expenses and other nonoperating income and expenses. We recorded PAT of INR118 crores after the JV loss of INR10.4 crores (wrongly said, kindly read it as INR13 crores), reflecting a growth of 20% year-on-year.

Now let me take you through the divisional performance overview. Firstly, revenue and operating EBITDA details of the divisional performance are not comparable with published segmental results.

The Consumer Durable division reported revenue of INR7,329 crores in financial year '25 compared to INR5,009 crores, reflecting a growth of 46% year-on-year on the back of strong RAC and component business. Operating EBITDA for the year increased by 59% year-on-year and stood at INR562 crores compared to INR353 crores in financial year '24.

Coming to Electronic division performance. The revenue for the year increased to INR2,194 crores compared to INR1,241 crores in previous year, reflecting a noteworthy growth of 77% year-on-year, surpassing our earlier growth guidance of 55% for financial year '25. Operating EBITDA for the year increased by 119% year-on-year and stood at INR151 crores compared to INR69 crores in financial year '24.

Let me also share the performance of Ascent as it would be of interest. The Ascent recorded a revenue of INR325 crores for financial year '25, growth of 24% against full year financial year '24 and maintaining margin profile of 19%.

Moving to Railway Subsystem and Defense divisional performance. The division reported a muted year owing to slower offtake as mentioned earlier. The revenue for the year stood at INR450 crores, reflecting a decline of 6% and resultant operating EBITDA of INR83 crores, EBITDA margin of 18.6%, impacted due to slower product offtake. To reiterate, we remain optimistic of doubling the division's revenue over next 2 financial years.

On the incentive front, we have received the PLI amount of INR36 crores for financial year '24. In the current year, we expect to receive INR49.5 crores under the PLI scheme for the financial year '25. With the expansion of Electronics and Railway division, the company is in a transformative growth phase to strengthen the margin profile over the next couple of years.

Thank you. Now I request the operator to please open the floor for the Q&A.

**Moderator:** The first question is on the line of Vipraw Srivastava from PhillipCapital.

**Vipraw Srivastava:** Yes. Great results sir. Quickly on the margin expansion, which you have guided. So sir, firstly, what kind of growth are you envisaging for EMS sector for FY '26? Any color on that?

**Jasbir Singh:** Well, as explained, we are adding a lot of new applications. And that's the reason why we guided that we are very confident that this division will be in above 10% range within next 2 years because we are adding industrials applications more now, and automobile is also adding up. It's already added, but now the business is growing, which are more margin-accretive businesses than the current businesses.

**Vipraw Srivastava:** Sure, sir. And sir, anything on the top line growth?

**Jasbir Singh:** Top line, we can't tell right now. But yes, I think we are very optimistic of -- or at least 30% plus growth, 30% to 40% growth range for this division.

**Vipraw Srivastava:** Sure, sir. And sir, last question. On the PCB manufacturing side, which you are going for Ascent, that will be the first phase to be operational by FY '26, right? It's INR300 crores?

**Jasbir Singh:** No, no. Ascent Circuit is already operational. They have clocked a revenue of more than INR325 crores this year. Their expansion in Hosur, which was undertaken, that construction is moving well. We expect that construction to be over and the commercial production to start by quarter 4 of current year. In the month of February or March, we will start the production for that new unit, which is expansion, where we are putting our money.

**Vipraw Srivastava:** For the INR600 crores unit, that's what you're saying, right? For the full unit, right?

**Jasbir Singh:** Yes, that's right. It's a INR650 crore expansion.

**Moderator:** The next question is from the line of Dhruv Jain from Ambit Capital.

**Dhruv Jain:** Sir, I had one question on the consumer durables vertical. So obviously, we've seen that summers have been weak from -- because of rains, etcetera. In FY '24 also, we faced a situation similar to that. So do you think that FY '26 considerably will be declining or the RAC business will be flattish or something like that? Or do you think that if the non-AC contribution in durable vertical will be enough to kind of generate double-digit growth despite the weak summer? That's my first question.

**Jasbir Singh:** Dhruv, if you see, we are an aggregator of the demand. So yes, there are many news this time that AC is flattish. But just to tell all of you, we have done pretty well in April. May is also going very, very fine for us. And we feel that, yes, double-digit growth is very much possible for Amber's RAC business. And plus, we have added a lot of Non-RAC components and CAC business, which is doing very well.

**Dhruv Jain:** Great, sir. Sir, second question that I have was on working capital. So since another year that we've seen a very good working capital management, just wanted to ask, is this a new normal? Because if you look at before FY '24, working capital days were far higher, right? But last 2 years, we've seen this. Or do you think this will normalize going forward? Just your thoughts there.

**Jasbir Singh:** Yes. Dhruv, you're right, we used to be in the range of 35, 40 days, which is now less than 10. So we feel that this is maintainable. But yes, on a quarterly basis, this may not be maintainable because of season and off-season basis. But at the year-end kind of a thing, we think that, yes, it should be in the range of 10 to 15 days on a consol level.

**Dhruv Jain:** Got it, sir. And just one question on the JVs, right? So obviously, we've seen losses in the JVs kind of go up...

**Moderator:** Sorry to interrupt, sir, but I may request you to rejoin the question queue for the follow-up questions. The next question is from the line of Ankur from HDFC Life.

**Ankur:** I had two questions again on the room AC business. One was -- and you also did allude to this whole erratic rains that have happened both in the South, now also in the West, especially in the peak summer season. Would you want to take -- give us some guidance on how do you see industry volumes kind of playing out for FY '26?

And more importantly, how do you see the inventory situation at this point in time, given what we understand is in Q4, there was a lot of inventory which was pushed into the system, given issues on compressors, etcetera. So one on the inventory situation currently and b, on how do you see the overall industry growth for FY '26? That's one.

And second, we also have this new BEE rating, which I believe changed starting Jan '26. So impact on industry, would you expect -- typically, we see a prebuy, right, a quarter before that. So would that be something you would also expect this time?

**Jasbir Singh:** Ankur, in last 25 years, I have seen many such good seasons and bad seasons. So I would request all of you that in case you want to recommend anybody putting in money in air conditioner sector, you should not focus on the quarterly basis because this is an industry, which is seasonal in nature. But let me give you numbers. 25 years back, 0.5 million air conditioners used to sell in the country, and we have already crossed 14 million mark.

There are some reports which are referring to 14 million. There are some reports which are referring to 15 million also. What we expect that this industry should be in the range of 30 million to 35 million in the next 5 years' time, which is a good CAGR. So yes, currently, you're right, on the southern side and on the Western side also, there's a lot of rains which are going on. So there are many brands which are struggling to grow.

And -- but as I explained that we are an aggregator of demand. For us, April has been very good for us. Even May is going pretty fine. On the inventory levels, it is varying from brands to brands. There are shortages in some brands till today also. And there is surplus inventory with some brands. So as a B2B company for us, what we see from the -- if I hear from the customers, there are some customers who are slowing down, but there are some customers who still continue to be very optimistic and they are growing on their demand.

I believe whenever this kind of season comes, industry normally get into a very pessimistic mode and start planning with a very pessimistic approach. And plus coupled with the Bureau of Energy rating in the month of January, so we expect little offtake in the quarter 3, which generally is not the case in line to the inventory buildup so -- but that's the standard patterns of the industry. So there's nothing unique, which is going to happen.

Whenever there is a positive season, you will see industry getting into optimism mode. And whenever there is a negative season, everybody gets into pessimistic mode. So it's a compounding of optimism and pessimism, I would say. But on the longer run, nothing changes for this sector. We are very optimistic for the complete sector.

And plus, as Amber, since we have diversified our portfolio now, our finished goods contribution today in the whole scheme of consol balance sheet is just 40% -- 42%, which used to be 76% when we got listed. So for us, things are very different today because of other divisions doing well and even our CAC business and the non-RAC components doing well, which are not very seasonal in nature.

**Moderator:** The next question is from the line of Pranay Roop Chatterjee from Burman Capital Management.

**Pranay Roop Chatterjee:** My question was also on the RAC side. So a listed peer of yours reported results, and they had about 100% growth in Q4. But what I mentioned on a couple of themes in the industry, I thought I wanted to check with you. They mentioned the increased growth is because the outsourcing propensity has started going up again, number one.

And number two, that the e-commerce and modern trade channel white label brands are actively gaining market share and hence, they are catering to them as well. So are these couple of trends that you are also seeing in the market and hence, that would explain the delta in the growth numbers?

**Jasbir Singh:** So see, the strategy of in-sourcing, outsourcing continues to shift. But yes, all the plants which were supposed to become, they have already been executed by the brands. And since last year, it was a very good season. So definitely, yes, outsourcing concept, the propensity is towards now outsourcing more, which was towards in-sourcing for last 2 to 3 years, that's very right.

And on the brands which are like Croma, Flipkart and other kind of brands, yes, they are also gaining traction. So that does make the outsourcing business model lucrative right now as compared to what it used to be 2 to 3 years back.

**Pranay Roop Chatterjee:** Got it, sir. And I just wanted to understand because your commentary on your RAC segment was quite inspiring given the channel check calls I have been attending. So if you can throw some more color, is it because you are less indexed in the South, which is probably more impacted than other parts of the country? Is it because your customers are doing relatively better than the wider industry? Like what could explain the difference in tone of the contract manufacturers versus, let's say, distributors, etcetera?

**Jasbir Singh:** No Pranay, I think probably the customers which we are catering to, their demand is growing. So -- I mean, yes, South is down for everybody, definitely because of the rains and all, but North has already picked up. The Western part -- some of the Western parts and the central part of India has picked up. There are some rains going on. But yes, overall, the customers which we are catering are moving positive as of now.

**Moderator:** The next question is from the line of Sonali Salgaonkar from Jefferies India.

**Sonali Salgaonkar:** This is Sonali and congratulations on a great set of ROCEs. The expansion has indeed been quite notable year-on-year. Sir, my first question is a bit strategic related to the ECMS component manufacturing scheme. I know you alluded to the fact that you will be participating in the PCB. But apart from that, is there any other segment which you would like to even evaluate? And in conjunction of that, ex of ECMS, what is the FY '26 capex? And with the ECMS, what would you expect that to be?

**Jasbir Singh:** Well, thank you, Sonali. I think on the ECMS, our capex, what we are planning without ECMS, our capex will be somewhere about INR500 crores, which will be for our Railway division and our RAC division, Consumer Durable division. In ECMS, we will be putting in an application of about INR3,000 crores, which is to be spent over a period of scheme in 5 years.

And I think this year, the capex will be somewhere about -- close to about INR800 crores to INR900 crores, which is ongoing Ascent Circuit capex because last year, only the land came in and now the building and machinery are going to be added up, plus the new joint venture, Korea Circuits land and some part of the building will come in this year. What was the second question? Sonali, you asked one more question.

**Sonali Salgaonkar:** Yes. So this was actually just to clarify, ex of ECMS right now, status quo INR500 crores, right?

**Jasbir Singh:** That's right.

**Sonali Salgaonkar:** Correct. Sir, my second question is regarding Sidwal. Now we understand that the order book has grown to about 20 billion plus, which is actually a very encouraging number. So we understand FY '25 was a bit weak across the railway stocks, not just with us, but across multiple other sectors. But what gives us the confidence of doubling the revenue over the next 2 years? Is it just the order book or the visibility into any other new categories that we are going into?

**Jasbir Singh:** Sonali, yes, I mean, one is the slowdown, which was there for Vande Bharat and Metro that is picking up the pace. So that is the first part. Second is our expansion into various product categories like Couplers, Pantograph, Brakes, Gears and also Doors and Gangways. Just to inform you all, we have already executed 26 new trains with the gangways.

So that product has started going up, and we have received more than about INR500 crores of orders for the doors as well. And we have just recently last week received our first order for the couplers as well. So all these addition of our bill of material in the rolling stock is gaining traction. And that's why we are confident of reaching to a double number of this division in the next 2 years.

**Sonali Salgaonkar:** Understood. Sir sorry, and in ECMS question, just one follow through. Is there any other segment which you would like to evaluate apart from the PCB board?

**Jasbir Singh:** No, we will be very focused in the PCB. So in PCB, there are 2 categories. Ascent Circuit is into multilayer and double layer categories. And on the Korea Circuits side, we will be filing application for the high-density interface and substrates category.

**Moderator:** The next question is from the line of Aditya Bhartia from Investec.

**Aditya Bhartia:** Sir, my first question is on the electronics business, wherein we saw very strong growth in fourth quarter. Clearly, there's a lot of momentum that the segment is picking up. Just wanted to understand, are there any new segments that we have commercialized within the EMS space? Any new large customers that you can speak about?

**Jasbir Singh:** Well, I'll not give a color on the customers because of the NDA signed. But yes, on the application side, I'll give you a brief. When we started in 2018, we had just started for consumer durable, particularly ranging in air conditioners and refrigerators. But today, we cater to hearable, wearable segment. We cater to smart meters segment. We cater to automobile sector, defense applications and telecom. These are the sectors which we are already catering to. What we are going to add in the next 2 years is industrials and aerospace and defense.

**Aditya Bhartia:** And this pickup in growth that we get to see in fourth quarter, sir, is it on account of any like automobiles maybe us becoming larger or on wearables and hearables getting much larger orders than what we used to. If you could just kind of give some indication around that?

**Jasbir Singh:** Aditya, we are gaining traction in almost every vertical basically. And I think we are very optimistic for this division. And normally, what happens is there are entry barriers of 2 to 3 years or maybe sometime in 4 years also depending on customers. And in the year 1 or 2, we get less share of business. But as we move older, we gain traction and we can gain more share of business also. So that's how the trajectory has been till now.

**Aditya Bhartia:** Understood, sir. And my last question is on the capex that you spoke about for the electronics business, almost at INR3,000 crores over 5 years. Is that roughly how we are going to file the application? Is bulk of that on the bare PCB side? And how exactly is this capex likely to be split across different entities within the electronics business?

**Jasbir Singh:** Well, it will be spread in 3 categories: PCB-A, PCB Ascent Circuit, which we are already doing and Korea Circuit, our new JV. So it will be in 3 categories. But the application which will go in the new scheme will be only for the PCBs because PCBAs are not allowed in that scheme. So large capex is going -- INR3,000 crore capex will come in that category, which is going to be spread over 5 years.

But we should clearly note that in one scheme, the 48% is going to be returned by -- through -- over a period of 5 years by government. And above than that, the state government's incentives of close to about 35% are going to kick in. So net capex for us, out of that INR3,000 crores, which we will invest in after 5 years, the net capex, which will come in the balance sheet will be just 25% to 30% of the whole INR3,000 crores.

**Aditya Bhartia:** Understood, sir. And this will be...

**Moderator:** Sorry to interrupt, sir but I may request to rejoin the question queue for follow-up questions. The next question is from the line of Anupam Goswami from SUD Life.

**Anupam Goswami:** Sir, my first question is on the Electronics division. If you can give a little light on what are we currently doing? And where are we moving towards? And what kind of a market we can look at in that perspective? Also in your Railway division, sir, you said about 2x of your doubling the revenue, but a little on the more longer time horizon, again, what sort of TAM are we looking? And what are the projects we are currently working on and what would qualify to go more into this? That is all, sir.

**Jasbir Singh:** On Railway division, earlier, we were just catering to INR25 lakh in one passenger car. So normally, Vande Bharat Express has got 16 passenger cars, and one passenger car is costing about INR6 crores to INR6.25 crores. Out of that, we were catering only air conditioner part. But now we can cater to INR1.5 crores of what goes into it, as we added into Pantries, plus Doors and Gangways, Couplers, Brakes and Gears. So our TAM has expanded by 5x, while being in the same segment for metro and railway. That is one part.

And on the Electronics side, PCB -- coming on what we do in the Electronics side, we do 2 parts in the electronics side. First is we give PCB assemblies for various sectors, such as consumer durables, comprising of air conditioners, inverter PCB boards, refrigerator electronic boards, washing machine boards, microwave boards, water purifiers and also some small appliances. That is our consumer durable catering. Then we do smart watches, Bluetooth speakers as a hearable and wearable segment. We do smart meters. Then we do automobile telematics and other categories of products for 2-wheeler and 4-wheelers and large commercial vehicles also.

And we do some optoelectronics for the defense applications also. And telecom also, we are doing 4G, 5G equipments. So this is our PCBA application side. And we are a backward integrated company with the PCB also in-house. We do single layer, multilayer, double layer and radio frequency PCB up to 48 layers currently. But what we are adding now apart from this capacity is the HDI and semiconductor substrates, which is required in mobile phones and laptops and ITs and servers, etcetera. So this is going to be added in the next 2 years.

**Anupam Goswami:** Sir, just on the follow-up, what sort of revenue or market that we can look at from this new segment?

**Jasbir Singh:** Well, it's a very big TAM, just to explain about PCB itself. Last year, India almost consumed $115 billion of electronics, out of which $4 billion of PCBs, almost about INR32,000 crores of PCBs got consumed in India and only 9% of that got manufactured in India. And looking into these data points, Government of India has already supported the sector by antidumping duty up to 6 layers, which has gained a lot of momentum for bringing up capacities in the country.

And now what we see in the next 5 years, the industry electronics consumption in India will go to almost about $300 billion to $400 billion. And as a thumb rule, 3.5% to 4% is the PCB consumption. So there is a TAM of about $10 billion of consumption, even if we assume that 50% will still be imported at that time, still, there is current level of INR3,000 crores worth of PCB getting manufactured, going to almost about $5 billion. So that's the opportunity size. And we expect to at least have 10% of this opportunity size moving forward.

**Moderator:** The next question is from the line of Nirransh Jain from BNP Paribas.

**Nirransh Jain:** Sir, my first question is just some clarity on the capex number. So you have highlighted INR3,000 crores under this ECMS scheme to be spent over 5 years. So this would be for both the Korea Circuit JV as well as for the Ascent Circuit, right? So is there any breakup on how much are we planning to expand the Ascent Circuit over and above the INR650 crore capex that you have already -- which is already undergoing?

**Jasbir Singh:** So currently, we have announced INR650 crores capex, which is ongoing. Maybe we add -- looking into the demand scenario, we may add moving forward after 2 to 3 years' time, another INR500 crores in this. And rest is the Korea Circuit JV.

And just to inform you all, we should note one more point, which is I would like to highlight that we have been able to successfully sign offtake agreement with Korea Circuits, where first 2 years of the production capacity will be offtaken to Korea Circuits by Korea Circuits team to their existing customers from India. So as we start the process, we don't have any issues on the customer side.

**Nirransh Jain:** Great, sir. Sir, moving to the second question, I just actually want to get a bit more detail on the commentary regarding the like next year expectation for output pacing the RAC industry growth by 10% to 12%. So generally, the question stems from the fact that considering that it's at least a weaker summer than what we had anticipated at the start of the year, even if it is delayed, but there is still a higher inventory at the dealer and brand level. And now over the years, at least more and more capacities have also been set up at the brand level.

So what gives us the confidence that we'll gain market share in terms of especially if there is -- like the growth is low, then obviously, the brands would be looking more for in-house sourcing for their new capacity setup. So how are we looking to outpace the growth? Can you just share a bit more color on this?

**Jasbir Singh:** See, if I see the results of all the listed players, I have seen documents around growth phase of 25% to 30%, whereas Amber has grown by more than 48%. So that's a testimony of our aggregation of the demand kind of scenario. We believe -- because we've added new customers last year, that is one part.

Second is we've added some customers on the components of RAC as well. And we are growing in the CAC part also. So these all 3 factors are leading us to comment that we will outpace the industry by at least 10%.

**Nirransh Jain:** Great, sir. Sir, and lastly, just CAC already did INR200 crores for us. And like what is the expectation for this business? Like how much can we expanded from here onwards?

**Jasbir Singh:** It's growing pretty well. We started this division 2 years back, and it has crossed INR200 crores this year. We expect this division to grow at least by 20%, 25% to 30% range this year.

**Moderator:** The next question is from the line of Mr. Achal Lohade from Nuvama Institutional Equities.

**Achal Lohade:** Yes. Congratulations for the number. Congratulations for good numbers. Sir, just wanted to check on the JV losses. If you could give some sense in terms of what has driven this increased losses? And how do we see it over the next couple of years?

**Jasbir Singh:** Well, these businesses take time for ramping up. This is a new business for us, both of them. And I think we are very confident that as we move ahead, we'll be able to take care of these losses. And the larger objective of getting into joint venture along with the Titagarh was particularly for gearing up for our new component sectors, which are the new categories, which we have added because these are very high entry barrier businesses.

So if you want to supply products like doors and gangways or brakes or couplers, these are safety Level 2 and safety Level 4 products where the entry barriers are as good as 7 to 8 years. So our main objective of this JV was to get into that and which we have already received. And we are very happy that on signing itself, we were able to receive a substantial business from Titagarh India as well as abroad. Yes, outside JV is struggling at the moment, but we feel we should be able to come out of that very soon.

**Achal Lohade:** Any number you want to throw sir for FY '26? Like we had INR30 crores of loss for FY '25. Could we see a breakeven or we'll see substantial reduction and breakeven in FY '27?

**Jasbir Singh:** I think it a little -- it should come down by another INR10 crores or so. So INR20 crores to INR25 crores should be the range moving forward.

**Achal Lohade:** Got it. And just to clarify, you mentioned that for the RAC, whatever is the industry growth will outpace the industry growth by 10 to 12 percentage points. Have I understood right, sir?

**Jasbir Singh:** That's right, yes.

**Moderator:** The next question is from the line of Abhishek Ghosh from DSP.

**Abhishek Ghosh:** Sir, just two questions. In terms of the proposed PLI component scheme where you'll be participating for about INR3,000 crores of outlay, what is the expected return on capital on that investments or on that project? How should we look at it?

**Jasbir Singh:** Well, if you see out of INR3,000 crores, almost 60% to 65% will be funded back in the scheme by central and the state government together. So we'll be in the net capex side, we will be investing about 30% of that. So 30% to 35%. If I see on the net capex side, the ROCE level for this industry is more than 25 -- in the range of 25% to 30%.

**Abhishek Ghosh:** Okay, sir. So for that INR3,000 crores, which we'll be investing, is it fair to assume that you'll have an asset turn of maybe like 1x, 1.5x? How should we look at it?

**Jasbir Singh:** Generally, like-to-like, these are asset-heavy businesses. So single layer and double layer, they are at asset turn of 1, 1.15 and HDIs are at asset turn of 0.85 to 0.9. But if you see on the net capex invested, the asset turns will be more than 2.

**Abhishek Ghosh:** Yes, that is true. And with margin profile of almost like 10% to 12%?

**Jasbir Singh:** No, it is -- these are the businesses in the range of 18% to 20%.

**Abhishek Ghosh:** Got that. And sir, the other question is in terms of the EMS division, you have called out that the margin trajectory can be double digit given the change in product mix. So will that be a gradual improvement from here on? Because this quarter, we have seen some softening of margins despite a very strong top line growth? Or is it going to be more like back-ended just from your thoughts?

**Jasbir Singh:** Till now, if you see in our INR2,200 crores of the Electronics division, almost 55% is still coming from the consumable sector. So these are the sectors with the low EBITDA margins. Hearable, wearable, consumer durables, these are low EBITDA margins. What we are adding is automobile, industrial, energy sector and the defense sector. That is what we are adding. And that is why we are very confident that the trajectory will go beyond 10%.

And I would like to also highlight that this division of ours is at 26% ROCE currently and which is a very healthy level. I was expecting -- personally, I was expecting that we'll cross 7.5% to 8% in this division, but it has come down to 6.9% because more of consumer durable applications were sold. But as I hear from the team, moving forward in the next 4 quarters and next 8 quarters, they are adding a lot of customers from industrial side, and that is why we are confident of bringing up to 10% plus EBITDA margins of this division.

**Moderator:** The next question is from the line of Jalaj from Svan Investments.

**Jalaj:** Sir, first of all, congrats on a great set of numbers. Sir, I had two, three questions. The first one was, could you give us some idea as to what sort of capex are we planning to put in the Korea JV? And what sort of time line should we understand for the plan to get online and the revenue start to flow to our P&L?

**Jasbir Singh:** So in Korea circuit JV, we will be putting in an application of close to about INR2,500 crores, which is to be spent on a period of 5 years. And time line is that as per government, government has given 90 days' time to file an application. After that, I am assuming that another 60 days or so for approvals, and that's when the approvals will be granted. So post September, the work will start. So I am hopeful that by next financial year, quarter 4, it should be up and running.

**Jalaj:** Understood. Understood. And sir, this -- the second question was with regards to Sidwal. So we have been talking about the longer gestation period, along with a lot of time period to develop the product. But how is the exports division or the exports portion shaping up there? And when should we expect something tangible coming into the P&L or otherwise?

**Jasbir Singh:** We have started participating in RFQs for the export tenders at the moment. We have received our first developmental order from New York. And we expect that after -- so the process is pretty long. You have to supply the products in the next 24 months. After that, they will watch and monitor the performance for next 18 months. After that, you are approved for supplies. So it is a process, I think, another 3 years' time from now on.

But the process has started. Teams have been formed and we have started working. And also, I would like to highlight that through Indian rolling stock companies, who are participating in the foreign tenders, through them also, it will be a deemed export for us. That has also started.

**Jalaj :** Understood. Understood. And one last question...

**Moderator:** Sorry to interrupt, sir, but I may request you to rejoin the question queue for follow-up questions. The next question is from the line of Indrajit Agarwal from CLSA.

**Indrajit Agarwal:** Congratulations on a robust guidance. I have one question on the guidance on the Railway side. As you mentioned, doubling in the next 2 years, would it be more back ended? Would we see more growth in FY '27 and '28 or '26, you expect to be strong as well as per the order book that you have today?

**Jasbir Singh:** So FY '26 will be a slight growth over the period of last year because now the projects have started taking off. And just to tell you that the 200 Vande Bharat Express, which were to be rolled out 2 sets, both TMH and Titagarh they were supposed to be last year, which got delayed by an year. So that is happening this year, but the large numbers will start going from next year. So you will see a big traction next year onwards.

**Indrajit Agarwal:** Sure. And secondly, on the washing machine Resojet part, when do we see revenue accrual for us?

**Jasbir Singh:** So we have already supplied 28,000 washing machines this year. So revenue has started getting accrued, but we are having some losses there. I think the team is already working. And maybe this year, we plan that the number should be at least at a breakeven point.

**Moderator:** The question is from the line of Keyur Pandya from ICICI Prudential Life Insurance.

**Keyur Pandya:** Sir, one question on the Electronics side. So considering -- so what is the capacity available in Ascent? And in backdrop, what would be the growth driver for FY '26 for the overall Electronics division, both in terms of, sir, revenue profitability as well as working capital?

**Jasbir Singh:** Well, currently, Ascent is moving at almost 90% of capacity, and that's why we are putting up another 30,000 square meter plant. And Korea Circuits will be -- the first phase will be 10,000 square meter of HDI to begin with, and then we'll keep on adding as we move ahead.

**Keyur Pandya:** Sir, just one follow-up. So I mean, what will drive this 30%, 40% growth in FY '26? It could be our core EMS business, since Ascent is fully utilized. And just want to understand on the working capital side or the Ascent's revenue potential of INR650 crores. So INR650 crores would fetch us INR600 crores, INR650 crores kind of revenue?

**Jasbir Singh:** No. On the EMS side, since we are adding some applications, that's bringing up the growth. And for the Ascent Circuit, we see some numbers adding up in the last month of this financial year, where the plant will start adding up. But the large number will come from next year in the Ascent Circuits numbers.

**Moderator:** The next question comes from the line of Madhav from Fidelity.

**Madhav:** I just wanted to understand a bit on the Korea Circuit, the economics. So we're investing INR2,500 crores over 5 years. Could you give us some sense in terms of what could be the peak revenue potential of this project? You did mention the customer mix, but if you could give us some sense on the product mix as well, how the scale-up happens?

Because it's a very large project -- probably the largest single location capex for Amber in my understanding. So if you could give us some more sense around the ramp-up time line, etcetera, that would be great.

**Jasbir Singh:** Madhav, yes, it will be like INR2,500 crores over a period of 5 years. So like the first part of that will be about INR1,000 crores or so. Generally, the asset turns in this sector are 0.85 to 0.9 and that's where we are going to grow. But if you see in a horizon of 2 to 3 years' time, because we have an offtake agreement, we feel that it can add about INR1,500 crores revenue over a period of -- after we start the production over a period of next 2 years.

**Madhav:** So when does the plant commission -- the INR1,000 crore Phase 1 capex, when does that commission?

**Jasbir Singh:** So this will commission next financial year, quarter 4 because we expect the approvals to come by September, and that's where the construction and everything will start. So it takes about 14 to 15 months for the plant to get commissioned.

**Madhav:** Okay. So quarter 4 of FY '27, so let's say, FY '28 is when we start seeing some...

**Jasbir Singh:** That's right. FY '28, you will see the PCB itself giving a revenue generation of more than INR2,500 crores at 18% to 20% of EBITDA.

**Madhav:** Yes. So that's -- so margins for this Korea JV is about 18% to 20% EBITDA margin?

**Jasbir Singh:** That's right. That's what generally the sector operates at. And they serve very high marquee customers like Micron and Samsung in the HDI category, and that's where we are already in touch with those customers at the moment.

**Madhav:** And of this INR1,000 crores, we expect about 75% in capex subsidy, is it? Or this is adjusted for the subsidy?

**Jasbir Singh:** No, it will be 48% to be reimbursed by MeitY through the scheme by Central Government and over and above to that, but this 48% is only on plant and machinery. Land and building is not included in this. Whereas the state governments give you a subsidy of about 35% on entire capex. So on a blended basis, if we see, it will be about 65% refund.

**Madhav:** Okay. So sir, effectively, INR1,000 crores capex for us implies INR350 crores of adjusted for the subsidy from the government that we'll have to invest, including with the Korea Circuit partner?

**Jasbir Singh:** Yes, yes. That's right.

**Madhav:** And on the INR350 crores, you're saying we can do a revenue of about INR900 crores, which is at 0.9x fixed asset turnover?

**Jasbir Singh:** Yes. I mean almost near to that.

**Moderator:** The next question is from the line of Pulkit from Goldman Sachs.

**Pulkit:** And my question is in continuation with what Madhav asked. So one is the capex that you'll do. But is there any other sort of revenue threshold, etcetera, that you'll need to meet in order to get this incentive? Secondly, can we just discuss some rough time lines? For example, you do this capex now. What are the milestones the government would want to see before this subsidy comes to us? And thirdly, if there is a time gap between now and then, how are you going to be funding that particular piece?

**Jasbir Singh:** Pulkit, on the time line basically and the turnover, so it's a hybrid scheme for capex and TLI, turnover-linked incentive, scheme. So out of 48%, 25% will be reimbursed after the plant is commissioned and 23% will come in next 5 years after achieving the turnover-linked incentive and employee-linked incentives also. So there is employment generation also which we need to do.

So once we meet those criteria, every year, we'll get -- we'll be -- it will be spread in -- 23% will be spread in 5 years. So that is how the time line on the subsidies are coming. Coming to the funding part, as an Electronics division, we are already in touch for raising the funds for this kind of -- meeting the objective because we are going to get back. So we are already in touch with various institutions for that.

**Pulkit:** Sure, sir. So it will be more like a working capital funding till the time you get the money back?

**Jasbir Singh:** Capex funding, rather than working capital funding, yes.

**Pulkit:** Understood. Understood. And sir, the same would be true for states also or state has a different mechanism of incentive reimbursement?

**Jasbir Singh:** Some states like -- we are already negotiating with two states at the moment. And that also has some hybrid part of it. Some portion is given back in first year, then remaining is spread in 5 years' time.

**Moderator:** The next question comes from the line of Amit Mahawar from UBS. We move on to the next participant. It's Manikantha from Franklin Templeton.

**Manikantha:** Just two questions from my side on the Electronics division again. I know that we have not mentioned this in the presentation, but wanted to check if we can give any order book for Electronics division, ballpark number by end of '25 and how this would have grown maybe Y-o-Y in this year? That's the first question.

And second question is, are we incrementally seeing any export opportunities in the Electronics division, given maybe the other B2B company out there is focusing a lot on this export opportunities? Those are my two questions.

**Jasbir Singh:** Yes. Because of this tariff being spoken so much, there are many customers who started talking to us for exports. And we are talking, but let us see. I mean, I think we are not giving really great mileage to that. Maybe 2 years down the line, yes, we may see some big exports coming. Largely, we are focusing on domestic industry at the moment.

If I talk about the order book, so generally, the contracts are long term in nature. So we've already done INR2,193 crores. If I speak about 2 years order book, we are already sitting at close to about INR5,000 crores of order book kind of a thing at the moment from various customers, with various applications.

**Manikantha:** Just to clarify that INR5,000 crores is executable over 2 years is what you're saying?

**Jasbir Singh:** Yes. That's right. I mean, it keeps on adding up. You keep on delivering and keep on adding up. So it's a perpetuity kind of orders.

**Manikantha:** And how this would have grown Y-o-Y basis, this INR5,000 crores?

**Jasbir Singh:** It's grown pretty well because last year, we have done 77% growth in this division. So it's grown very well and pretty -- and growing very fast, as we are adding applications. So we will see a compounding results after 3 years in this division.

**Moderator:** Ladies and gentlemen, we will take that as the last question. I would now like to hand the conference over to Mr. Jasbir Singh: for closing comments.

**Jasbir Singh:** Thank you, everyone, for joining on the call. I hope we have been able to address all your queries. For any further information, kindly get in touch with our Head of IR, Ravi Kharbanda or Rohit Singh, from IR team, or Strategic Growth Advisors. Thank you very much. Have a good day ahead.

**Moderator:** Thank you. On behalf of Amber Enterprises India Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.