"Remsons Industries Limited Q4 FY '25 Earnings Conference Call"

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MODERATOR: **MS. SALONI AJMERA – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to Remsons Industries Limited Q4 FY '25 Earnings Conference Call hosted by Go India Advisors.

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

I now hand the conference over to Ms. Saloni Ajmera from Go India Advisors. Thank you. And over to you, Ms. Ajmera.

Saloni Ajmera: Good afternoon, everybody, and welcome to Remsons Industries Limited Quarter 4 and FY '25 Earnings Call hosted by Go India Advisors.

We have on the call with us Mr. Rahul Kejriwal –Whole Time Director; Mr. Debendra Panda – CFO; and Mr. Rohit Darji – CS, from the Remsons team.

We must remind you that the discussion on today's call may include certain forward-looking statements and must be therefore moved in conjunction with the risks that the Company faces.

We now request Mr. Rahul Kejriwal to take us through the Company's "Business Outlook" and "Performance", after which we open the floor for Q&A. Thank you, and over to you, sir.

Rahul Kejriwal: Thank you, Saloni. Good afternoon, everyone, and welcome to the Earnings Call of Remsons Industries Limited for our Q4 and FY '25 Results.

I hope you have had a chance to review the Investor Presentation and Financial Results, which are now available on the Exchange.

On this call, we will provide an overview of our Financial and Operational Performance, discuss our strategic roadmap and outline our growth ambitions. We will also highlight the key initiatives undertaken during the year and share our vision for sustainable long-term expansion in FY '26 and beyond.

So, FY '25 has been an exciting year for us, characterized by steady growth, strong achievements and an unwavering commitment to excellence. The global economy remains steady, but even across different regions. Manufacturing activity slowed, especially in Europe and parts of Asia due to supply chain disruptions and software external demand.

However, the services sector showed resilience and was a key driver of growth. Inflationary pressures also eased across most economies, providing much needed relief to both businesses and consumers.

Despite global headwinds, India stood strong. The Indian economy maintains steady momentum with real GDP growing by 6.4% in FY ‘25, remaining close to its decadal average. Looking ahead, real GDP growth for FY '26 is projected between 6.3% and 6.8%, powered by robust domestic consumption and investment activity.

The automotive sector also saw a stable performance growing by 6.46% in FY '25. Two-wheelers led the growth at 7.71%, followed by passenger vehicles at 4.87% and three-wheelers at 4.54%, while commercial vehicles decline marginally by 0.17%.

The automotive ancillary sector is poised for long-term structural growth supported by several key drivers. One is the increasing content per vehicle, premiumization trends, regulatory evolution, diversification into non-auto segments and India's cost advantage. The push towards localization and the country's competitive manufacturing ecosystem further enhances its global positioning.

At the same time, challenges are emerging from changing trade dynamics, subdued demand in major export markets, and the acceleration shift towards electric vehicles. Despite these headwinds, Indian auto ancillary players are leveraging their strength, including cost, efficiency, technical expertise, and long-standing relationships with global OEMs and Tier-1 suppliers to deepen the global footprint often through overseas manufacturing setups.

Export potential is also being unlocked by India's robust ecosystem for mechanical components and its policy backed drive to reduce import dependence. Simultaneously, technological convergence is enabling players to diversify into adjacent non-automotive verticals. Remsons is well poised to capitalize on these structural trends with a focused strategy aligned to sectoral shifts, targeting growth across both domestic and global markets.

Originally founded by Mr. V Harlalka as a cable manufacturing Company, Remsons Industries has evolved into a diversified fuel-agnostic automotive component provider. With over 60 years of industry experience, Remsons serves two-wheelers, three-wheelers, passenger vehicles, commercial vehicles and off-highway vehicles across domestic and global markets.

The Company pioneered control cable manufacturing in India and today offers a wide portfolio including gear shifters, flexible shafts, jackets, winches, pedal boxes and parking brake cable assemblies. Driven by innovation, Remsons also manufactures advanced sensor and lighting solutions for the automotive, earth moving, agriculture and marine sectors. Backed by our in-house capabilities in design and manufacturing and validation, Remsons is steadily positioning itself to serve the entire mobility value chain.

Let us now take you through a significant update through the quarter:

As per our planned strategy to move into green mobility, we recently acquired 51.01% stake in Astro Motors. They were founded in February 2020 and based in Chakan, Pune. Astro Motors is arising clear in India's electric vehicle space, particularly in the three-wheel, commercial EV segment. The Company designs and manufactures electric vehicles for cargo, loaders, passenger transport and micro-mobility solutions. With establishing dealership network and upcoming passenger EV models, Astro is aiming for a Top 5 position in the Indian three-wheeler EV market within the next three years.

The acquisition marks a strategic entry into the electric vehicle ecosystem, providing a robust foothold in the fast-growing commercial EV segment. This sector is rapidly expanding, driven by the rise of e-commerce, Quick commerce and the growing need for efficient last mile delivery solutions. For instance, this is a milestone debut in the EV space, positioning us to capitalize on the shift towards clean sustainable transportation, particularly in urban and commercial logistics.

Astro Motors established dealer network offers direct-to-market access, enhancing customer engagement and brand visibility across India. Importantly, the acquisition also complements our existing component business. It opens our opportunities for vertical integration, allowing us to supply components such as cables, sensors, gear systems, lighting for Astro's EV, improving cost efficiencies and unlocking internal synergies.

I am pleased to announce that Remsons has secured a significant order from a North American OEM manufacturer for the supply of control cables. Valued at INR300 crores , this is one of the largest orders in the Company's history. The contract spans a period of seven years and covers the supply of control cables for the OEM’s, cars, jeeps and other three-wheeler segments. Deliveries under this order are scheduled to commence from the next financial year, and we are committed to fulfilling the contract within the agreed timelines.

In FY ‘25, we have received 4th order from Tata Motors for the supply of winches used for spare wheels. Currently, the Company supplies winches to Tata's successful models like Tigor, Altroz, Punch and its recent orders for the new Tata Nexon CNG model. The total value of the order stands at INR 30 crores, which will be executed over the next 3 years.

We had earlier entered into a JV with Uni-Automation Limited of Pune. This year, we acquired a 55% stake and incorporated a joint venture Company Remsons-Uni Autonics Private Limited, RUAPL, to acquire and have acquired the automotive sensor business of Uni Automation to address global market requirements for sensors and products with embedded sensors.

Like I was saying, we acquired 51% stake in BEE Lighting Limited UK for Rs. 32.84 crores. BEE Lighting is renowned for its specialization in automotive headlamps, rear lamps and various external and internal lighting solutions, with a strong focus on innovation including LED and adaptive driving beam assistance.

During the year, Remsons Industries was honored with the Gold Medal in the EcoVadis Sustainability Assessment. This prestigious accolade places us amongst the top five of all evaluated companies globally, highlighting our steadfast commitment to environmental, social and governance excellence.

As highlighted in our previous interactions, we reiterate our guidance of achieving a top line of Rs. 900 crores to Rs. 1,000 crores by FY '29, with an anticipated EBITDA margin in the range of 12% to 14%. For FY '26, we expect growth to be in line with FY '25 or potentially stronger.

FY '26 will be a pivotal year for Remsons, as it will reflect the first full year of revenue contributions from some of our recent acquisitions and some of the new products that we have launched into the markets. These growth drivers are expected to meaningfully enhance our performance and accelerate our trajectory growth. We remain focused on diversifying across the broader mobility ecosystem with immediate attention on the railway sector where we see significant opportunities emerging.

As a specialized manufacturer of automotive components, we at Remsons recognize that the key to sustainable growth lies in our ability to accelerate our processes by diversifying our portfolio. This two-pronged focus implies us not only to enhance our existing offerings, but also venture into new markets and new product categories.

Looking ahead, we will continue to raise the bar by further diversifying our portfolio and undertaking strategic acquisitions, ensuring that we remain at the forefront of the mobility domain.

Having said that, on the financial front, on a consolidated basis, our revenue from operations for Q4 FY '25 stood at INR 1,062, crores a growth of 37% on Y-o-Y basis with an EBITDA margin of 10%. PAT was reported with a margin of about 4%.

For FY '25, revenue from operations stood at Rs. 337.66 crores. EBITDA came in at Rs. 37.4 crores, reflecting a 20% year-on-year growth and an EBITDA margin of 10%. The Company reported a PAT of Rs.14.4 crores, marking a 7% to 9% year-on-year increase and a PAT margin of 4%. Our net-to-equity ratio remained at 0.63, and we remain committed to maintaining it within this prudent range going forward.

As we look ahead, our dedication to excellence and growth remains resolute. We continue to prioritize customer satisfaction and innovation, while exploring new avenues for expansion and diversification, both home and abroad.

We now open the floor to Q&A.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Satyam B with Profit Mart Securities. Please go ahead.

Satyam B: I have a couple of questions. What would be the margin profile in FY '26? And going forward, can we see a further margin expansion?

Rahul Kejriwal: The margin in FY '26 on an EBIT level should be at about 11% and by '29, we should be at about 14% to 15%.

Satyam B: My second question is what CAPEX are we planning to incur in a fiscal and what CAPEX likely would be aimed to incur for reaching the revenue target of Rs. 900 crores to Rs. 1,000 crores?

Rahul Kejriwal: So, in the current year, we are planning a CAPEX of about Rs. 10 crores to Rs. 15 crores. In order to reach a revenue target of Rs. 900 crores over the next 3 to 4 years, we should be looking at a CAPEX of about Rs. 60 crores to Rs. 70 crores.

Satyam B: That answers my questions, thankyou. I will get back in the queue.

Moderator: Next question comes from the line of Majid Ahamed with PinPointX Capital. Please go ahead.

Majid Ahamed: Thankyou for the opportunity, Sir, my first question is, a very good set of numbers. So, how are we like we are looking to grow at 35% to 40% next year. I just want to know like what is the breakup for the inorganic and the core business in terms of what is the overall guidance from both sides? So, we have a standalone business and the acquired business. What is the growth rate in both the sides that is growing to drive the FY '27?

Rahul Kejriwal: So, the standalone business should be somewhere in the range of about Rs. 300 crores in the coming year. And the acquired business should be somewhere in the range of Rs. 150 crores to Rs. 270 crores next year, plus or minus 20%.

Majid Ahamed: Sir, my second question is regarding the Stellantis order win. What are the potential margins, and will our supply be only to India or will it be global as well?

Rahul Kejriwal: The order is for global supply. However, we have to give it to them in India and because our terms and condition is exports. And as far as the margins are concerned, it will be at about 10% margins.

Majid Ahamed: 10%. So, going forward, any sort of acquisitions that you are looking at?

Rahul Kejriwal: Sorry, can you come again?

Majid Ahamed: So, going forward, are you looking to do any further acquisitions for us to have such a strong growth guidance that you are looking for nearly Rs. 1,000 cores of revenue? To fuel that, are you looking for further acquisitions?

Rahul Kejriwal: Yes, there would be one or two acquisitions that we would be doing in order to meet the numbers.

Moderator: Next question comes from the line of Madhur Rathi with Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, I am trying to understand there is a difference between our consolidated and standalone margins. So, if I look at that, sir, majority of our margin improvement that we have seen this year is from additional acquired businesses that we have done. So, I am trying to understand, going forward, the Rs. 280 crore base of the standalone business we have, so that should move to Rs. 300 crores. Sir, what kind of margin should we see? And sir, what would be the market size for this business?

Rahul Kejriwal: Please, can you repeat the question one by one?

Madhur Rathi: Yes, sir. So, I will do that. First, I am trying to understand regarding our standalone business. So, there is Rs. 280 crores moving to Rs. 300 crores. So, what kind of margins can we expect on this businesses? And what would be the market size for our main core standalone business? The winches, gear, etc., all the cables, etc.

Rahul Kejriwal: So, as far as the market size is concerned, it becomes a very difficult question because there are lots of players in the fragmented market. So, you know, we really don't calculate or work towards the market size because that has no relevance in where we get the nomination and how we do the business.

So, when we are going from 280 to 300 on a standalone basis or something, the margins will not significantly take a leap, because it's only Rs. 20 crore incremental growth. But what we are doing is we are trying to change the product mix in order to enhance the margins within that Rs. 280 crores itself. So, we are taking on a different product range, a different kind of approach to enhance margins, keeping intact the top-line growth as well.

Madhur Rathi: Sir, my next question would be on the acquired businesses. Sir, if I look at the incremental EBITDA of between a standalone and consolidated of around Rs. 13 crores, sir, majority of that seems to have come from the acquired business. Sir, if you could just help us mention what kind of margins do we make on the sensor and the lighting business and similarly, sir, what is the margin improvement can we see in these segments as we scale them up?

Rahul Kejriwal: So, the sensor business is a very small contributing factor since we acquired it just in May of last year. It was a very small Company, and we needed it to support our mechanical businesses going from mechanical to electromechanical and moving further towards the electronic side of the business.

So, the margins for the sensor would be to the tune of about 10% levels today. But the lighting business does give us close to 30% EBIT margin business. And going forward, yes, the new businesses that we are acquiring is on a higher EBIT and PAT margins businesses. Also, the product mix also is giving us a better margin. So, that's how we are looking at margin improvement.

Madhur Rathi: Sir, so, if I look at the lighting business, the pedigree of the client that we have and the product that we manufacture, and the margins we make are very solid. So, why are we moving into electric and other segments when we have this big market size in front of us and that can help us reach the Rs. 1,000 crores mark? Then why are we still trying to get into different segments rather than just focus on a few main business segments and grow them up?

Rahul Kejriwal: So, the lightning business that we have is a low volume, high margin business. We will never be able to reach very high numbers in terms of revenue growth numbers over there because the quantum of those kind of level of cars made are very small. This business will have a potential to grow up to a certain level. And to achieve the numbers that we are targeting for, we will have to do multiple activities in order to reach those numbers.

Madhur Rathi: Sir, in lightning, we are a Tier-1 OEM supplier. Is that understanding right?

Rahul Kejriwal: Correct.

Madhur Rathi: And sir, what was the revenue that we did in FY '24 and FY '25 for this business? Even if it was not with us in majority of FY '25, what was the revenue this business did in the past few years?

Rahul Kejriwal: In FY '24-'25, I think they clocked a total before us and after us, the total revenue that they would have done would be about Rs. 50 crores. And this year we are targeting about Rs. 60 crores to Rs. 70 crores.

Madhur Rathi: Sir, just a final question from my end. Sir, I wanted to understand, we mentioned that our acquired businesses should do Rs. 200 crore to Rs. 250 crore of revenue in FY '26. Is this correct?

Rahul Kejriwal: So about 150 crore to 180 crore.

Madhur Rathi: 150 crore to 180 crore. And what would be the overall margin that we can expect on, so, okay, 30% on that. And so if I remove the revenue from our lightning business, Rs. 100 crore should come from other segments. So, what kind of margins can we make on that?

Rahul Kejriwal: I think somewhere around 6% or so.

Madhur Rathi: This would be EBIT margins, right?

Rahul Kejriwal: No. This I am talking PAT margins.

Madhur Rathi: PAT margins. Okay, got it. So, that was from my side.

Moderator: Next question comes from the line of Darshil Pandya with Finterest Capital. Please go ahead.

Darshil Pandya: Sir, first question would be on the U.S. exposure and what kind of impact can we see from this geopolitical things that are going on?

Rahul Kejriwal: So, U.S. exposure as of now was not very high, but we are beginning to have significant exposure in the U.S. I mean, when I say significant means an additional about say, Rs. 10 crores, Rs. 15 crores of exposure into the U.S., and in the growing year it will increase.

But even with the additional 5% tax that has been levied or something, we have not seen any customer come back to us for any reason whatsoever. It's been absorbed into the system seamlessly. And our terms conditions are excellent.

So, the tax, we are not bothered with whatever tax has to be paid. Plus they are not looking to stop the business or move the business away whether that's applicable to all products that are imported either from India or China or some places also.

Darshil Pandya: Also, with regards to depreciation, this quarter we have seen a reduction in the depreciation cost, but I just wanted to understand what will be the cost for this financial year.

Rahul Kejriwal: Can you just repeat the question once?

Darshil Pandya: I just wanted to understand the depreciation cost for this financial year. And obviously, this quarter also we have seen some dip in the depreciation. So, was it some accounting policy or whatever?

Rahul Kejriwal: No, that is due to some, I mean, CAPEX has been incurred in the last year. So, that depreciation on account of that has been added in this year.

Darshil Pandya: What did you say?

Rahul Kejriwal: So, the depreciation change you are asking?

Darshil Pandya: Yes sir.

Rahul Kejriwal: No, that is not, I mean, due to the accounting policy, this is on accounting of the depreciated value because some assets have already been depreciated, and some new assets are even added.

Darshil Pandya: So, what would be the depreciation cost for this fiscal year estimated? Estimated cost, depreciation. I was asking about the estimated depreciation cost for this financial year.

Rahul Kejriwal: For this financial year?

Darshil Pandya: Yes.

Rahul Kejriwal: On a standalone basis, we will see it is around Rs. 9 crores or Rs. 9.5 crores.

Darshil Pandya: I will get back in the queue.

Moderator: Next question comes from the line of Swapnil Gupta, White Pine Investment Management. Please go ahead.

Swapnil Gupta: Sir, my question is, do we supply products to the defense sector? If so, which products are involved and what percentage do they contribute to our total revenue?

Debendra Panda: New product. You are talking about the new product or existing product?

Swapnil Gupta: To defense sector, specifically.

Debendra Panda: Defense sector?

Swapnil Gupta: Yes, because in the PPT it is written that under business diversification, it is said that you supply to Railway and Defense.

Rahul Kejriwal: So, Railway and Defense is a new sector that we are opening up. Railways, we are already working with RDSO for approval, so some of our products that we will go in. And we are working on a couple of defense projects, but we are working with people who are supplying vehicles to the defense companies. We are not at levy to disclose what and what product we are doing with them because it's a defense-related NDA that we have assigned with them.

Swapnil Gupta: So, currently it's in approval stage. Correctly we are not supplying, right?

Rahul Kejriwal: No, no, we are under development stage.

Moderator: Mr. Gupta, are you done with your question?

Swapnil Gupta: Yes.

Moderator: Next question comes from the line of Tanmay Roy, an individual investor. Please go ahead.

Tanmay Roy: I think most of my question is answered, so I am okay with it.

Moderator: Next question comes from the line of Shweta, an individual investor. Please go ahead.

Shweta: Actually, I have this question that, like we acquired BEE Lighting, right?

Rahul Kejriwal: Yes.

Shweta: So, when will we start reporting the revenue from it? Will it be this quarter or next quarter?

Rahul Kejriwal: So, we have already incorporated six months' revenue in our consolidation.

Shweta: Okay, I may have missed it. Also, the acquisition in the JV which we are doing, what kind of competition is already existing in this space? Because in the tire mobility kit is already launched and is available on Amazon.

Rahul Kejriwal: No, the products that are available on Amazon are basically the Chinese imports. They are not approved by the OEMs or any sector. The ones that we are doing is for direct supply to the OEMs.

Shweta: Also, can you just elaborate on the new order win that you have?

Rahul Kejriwal: The one that we announced recently?

Shweta: Yes, recently. The Rs. 300 crores order win. That is the biggest order win, I guess.

Rahul Kejriwal: Yes, as a single order win, that's one of our largest order wins. So, yes, we, after almost a year of discussion and designing and work with them, they awarded us the business. It's about Rs. 300 crores over 7 years of business. And we will be supplying to North America, mostly on an Ex-Works basis. They have their collection centers in India, where they will take various products from various suppliers and put them together and supply it over there. So, yes, it will be about a year. SOP is end of 1st Quarter next year. So, in the time from now to the next 12 months, this will involve tooling, line setting up, testing, validation, approvals. The whole process will happen.

Shweta: Thank you for answering my question. I will fall back in the queue.

Moderator: Next question comes from the line of Shrut Bhanyani with Areeza India. Please go ahead.

Shrut Bhanyani: Sir, can you discuss more on the Astro Motors acquisition and also, like, what is the strategy going forward, like what new products can we expect from Astro Motors?

Rahul Kejriwal: So, Astro Motors, so India's very three-wheeler EV is growing at rate of almost 24%-25% CAGR in India today. It's the highest growing EV segment today. And Astro Motors being a start-up and it's got patented gear technology attached to it.

So, we decided to invest into this for two reasons. One is to, of course, move up the value chain being from a component supplier to start making the electric three-wheeler ourselves. That also using our own developed products, whatever parts we have on our offerings, we have put them all on the vehicles. This also works as a stage for validation and testing of our own parts and the new technologies that we are coming up with in electric space. And so the consumers can get the best of technology's exposure through us.

And yes, so we will be establishing it, so it's an independently run Company. We do own 51%, but the original promoters run the Company. We will be establishing dealer networks. We have just established a new plant in Chakan for it. And we are going to the market. Already a couple of dealerships have been established. And we have had the initial first batch of 10 vehicles sold through them.

Shrut Bhanyani: And also, sir, we are aiming to reach a top line of around Rs. 1,000 crores by FY '29. So, sir, keeping in mind the slowdown in the auto industry, how is this number achievable going forward?

Rahul Kejriwal: So, we are doing a mix of organic and inorganic. From the inorganic side, we have acquired a few companies, and we will be doing another acquisition also in order to achieve these numbers. And organically also we are taking market share away from competition. So, even if there is an industry slowdown, our growth is going to be intact from the order booking and roadmap that we have chalked out.

Moderator: Next question comes from the line of Madhur Rathi with Counter Cyclical Investments. Please go ahead.

Madhur Rathi: Sir, thank you for the opportunity once again. Sir, I wanted to understand regarding the tyre mobility kit JV that we have. Sir, are we currently supplying to any OEMs or are we in discussion phase as of present?

Rahul Kejriwal: No, so right now we have already supplied to Force Motors as our first customer and we are in absolute advance talks with a large OEM for quite a large supply starting next year. So, the audits and all procedures have been completed, and we are waiting the final rounds of discussions and clearances from them.

Madhur Rathi: Sir, so, this is based out of Poland. So, will we be manufacturing it in India and supplying Poland or it will be manufactured in Poland and sold wherever? How will the manufacturing be done once it scales up?

Rahul Kejriwal: So, once we get the minimum requisite numbers order, then it will be 100% localized in India.

Madhur Rathi: Sir, on the sensor segment, you mentioned that we do a 10% EBITDA margin or EBIT margin, right?

Rahul Kejriwal: Yes, maybe up to 11% or 12% EBIT margin.

Madhur Rathi: Sir, so, I am trying to understand the customer profile that we have in the segment and about the future volume or the future order that we can expect from this segment going forward.

Rahul Kejriwal: So, the customer profile right now is to the tune of Bosch, Cummins. And going forward, we will be supplying directly to OEMs like Royal Enfield, Bajaj, TVS, also to a lot of Tier-1 in the industry. So, yes, various different types of sensors will also be introduced. And this market itself has a huge potential for growth.

Madhur Rathi: Sir, who would be the market leader in this segment currently?

Rahul Kejriwal: So, there are many, many players in India into this, global and Indian. And they all do separate types of sensoring. So, there is no one particular market leader for all sensors.

Madhur Rathi: Sir, I am just trying to get a breeze on. Sir, I understand that a Rs. 1,000 crore target will require some inorganic acquisition. And we have done, I think, the sensor one and lighting one. I think we are going in the right direction. So, I am trying to understand, sir, what would be the minimum IRR or payback period before we embark on any new capital investment going forward? So, what would be the threshold for that?

Rahul Kejriwal: So, IRR, generally we look at 20% IRR when we are looking at any investment.

Madhur Rathi: Sir, just a final question on this Daiichi Automotive Electronics. Sir, can you please throw some light on who are our customers in the segment? What kind of revenue do we make in the segment currently? And, sir, we have mentioned some OEM customers. So, what is the ability? Also, what would be the market share gain or order wins that we can expect and margin profile for the segment?

Rahul Kejriwal: So, Daiichi, right now in India we are talking to various customers for various of their product ranges. They have got a full basket of products. We are not sure which customer will pick up which product out of them. Our margin ranges will vary depending on the product that is supplied, that is selected by the customer. But I don't see anything less than 10% on a PAT level that we would be selling, that we would be doing any work in that segment.

However, the order size, it will not be any small order that we will be getting out there. I mean, some of the orders that we are talking to could be in terms of 40-50 crore to Rs. 100 crores orders. But let's see we are in various discussions and in the next 6 to 8 months, we will get some more clarity on this.

Madhur Rathi: Sir, that was from my end. Sir, thank you so much and all the best for answering my questions patiently.

Moderator: Next question comes from the line of Anant Agarwal, an individual investor. Please go ahead.

Anant Agarwal: Sir, just want to understand why our inventories have gone up so significantly.

Debendra Panda: The inventory has gone up because of some of the new business already in the starting phase. So, we have to keep the minimum inventory for that. So, that is one of the reasons. And we have also multiple customers who are there in our basket. So, for that also we are keeping the inventory to meet their target. So, these are the reasons.

Anant Agarwal: I will fall back in queue.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, we have reached the end of the question-and-answer session. I would now like to hand the conference over to the management for closing comments.

Rahul Kejriwal: We thank everyone for joining the meeting, and I hope we were able to satisfactorily answer most of the questions. If there are any further questions, you can please direct them to Go India Advisors, and they will be happy to get in touch with us. Thank you so much.

Moderator: Thank you. On behalf of Remsons Industries Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.