



**“Remsons Industries Limited
Q1 FY '26 Earnings Conference Call”**

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MODERATOR: MS. SELINA SHEIKH – GO INDIA ADVISORS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to the Q1 FY26 Earnings Conference Call of Remsons Industries Limited hosted by Go India Advisors Ltd.

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

I now hand the conference over to Ms. Selina Sheikh from Go India Advisors Limited. Thank you and over to you, ma'am.

Selina Sheikh: Good afternoon, everybody and welcome to Remsons Industries Limited Q1 FY26 earnings call hosted by Go India Advisors. We have on the call Mr. Rahul Kejriwal, Whole-Time Director, Mr. Debendra Panda, CFO and Mr. Rohit Darji, CS. 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 risk that the company faces.

We now request Mr. Rahul Kejriwal to take us through the company's business outlook and performance, after which we will open the floor for Q&A. Thank you and over to you, sir.

Rahul Kejriwal: Thank you for the introduction. Good afternoon everyone. Welcome to the earnings call of Remsons Industries Limited for our Q1 FY26 results. I hope you have had the 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 strategy 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 FY26 and beyond. Looking back, FY25 was an exciting year for us, marked by significant milestones and robust growth in line with our vision and goals. We remain confident that FY26 will follow a similar path driven by our unwavering commitment to excellence.

Going ahead, we expect growth to recover, helped by multiple macro tailwinds like interest rate cut, income tax cut for the middle class, above-average monsoon, healthy sowing, lower commodity prices and surplus banking liquidity.

Let me begin by highlighting the performance of the Indian automotive industry in FY26. Industry-wide, April to June '25, the total production of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, quadricycles stood at 76,60,225 units.

During this period, passenger vehicle sales reached 10,11,882 units. Commercial vehicle registered 2,23,000 units and three-wheelers and two-wheelers approximately 1,65,000 and 46,74,000 units. This broad-based industry growth is a testament to the increasing demand and optimism in the mobility ecosystem. It has also positively impacted us at Remsons.

Our products continue to play a crucial role in supporting OEM and broader value chain, enabling us to register strong and operational and financial performance this quarter. The market

has now reached a value of over INR6.14 trillion as of Q1 FY26, reflecting strong growth momentum and favorable government policies such as Make in India and production-linked incentives. Our sector is undergoing a transformational phase driven by global pivot towards electric vehicles, smart and connected automotive components and advanced systems integration.

India's auto sector is increasingly integrated into the global supply chain, benefiting from the ongoing China plus one strategy as global OEMs diversify sourcing to India. Over 25% of the industry production is exported with key markets such as Europe, North America and Asia, strengthening India's role as a reliable supplier of high-quality auto components.

Nevertheless, the industry continues to face challenge of the inflationary pressures on raw material and energy costs. In response, our company remains focused on operational excellence, rigorous cost management and diversification and agile supply chain strategies. Looking ahead, we are accelerating our investments in technology and innovation, deepening localization and expanding our expertise in areas such as electric motor systems, automatic transmission and other high-value components.

These strategic initiatives will drive the next phase of our growth, what we like to call Remsons 2.0, positioning us at the forefront of India's evolving auto and serial landscape. According to industry estimates, India's railroad market, encompassing both passenger and freight segments, is projected to reach USD34.28 billion in 2024 and USD60 billion by 2035.

In line with our strategic vision to transform across mobility value chain, as indicated earlier, we are initiating a foray into the railway sector. Our approach in this segment will begin with supplying key components such as Flexball cables, potentiometers, pushrod MBPS, pressure-reducing walls, slack adjusters, air reservoirs and load-sensing devices. By leveraging these targeted products, offerings and addressing the growing modernization need of Indian railways, we are well-poised to capture the emerging opportunities in this expanding and evolving market.

Let me walk you through these major updates in this quarter. Remsons has been awarded the prestigious contract from Stellantis North America for supply of controlled cables. This significant contract, one of the largest in Remsons history, involves multiple orders valued at over INR300 crores to be executed over the next seven years. Deliveries will commence from the next financial year. Our supply will be for controlled cables, for Stellantis premium cars, smart cars, jeep models, as well as their expanding three-wheeler segment.

As part of our strategic vision to advance into green mobility, we acquired a 36% stake in Astro Motors, a dynamic electric vehicle company, like a startup, initially founded in 2020 and then through R&D, they have been able to produce a vehicle, get it homologated and that's where we stepped in to help them manufacture and do large-scale production.

They shall be – they are an emerging key player in India's three-wheeler commercial EV segment, catering to cargo loaders, passenger transport, micro-mobility solutions. Their USP is that they have launched the first electric cargo three-wheeler with a four-speed gearbox. We are

expanding the dealership network and the upcoming passenger EV models also, targeting a top-five position in India's three-wheeler EV market in the next three years.

This acquisition marks a strategic entry to the fast-growing commercial EV ecosystem, positioning Remsons to capitalize on this shift towards clean, sustainable transportation, particularly in urban and commercial logistics, in line with our Remsons 2.0 vision. On May 23, 2025, Remsons inaugurated a new state-of-the-art manufacturing facility dedicated to railway applications in Chakan, Pune.

Spanning 30,000 square feet, this facility is equipped with advanced precision engineering technologies, including CNC machining, sheet metal fabrication, and welding capabilities, and an in-house testing and validation laboratory to ensure compliance with stringent railway standards. This expansion represents an important step in expanding our expertise beyond automotive and commercial vehicles into the railway sector, catering to both freight and passenger railway segments.

The establishment of this facility involved an investment of INR5 crores, which will be funded through debt, reinforcing our commitment to quality, safety, and sustainability. Remsons Automotive, a step-down subsidiary, has received a significant letter of intent from Ford Turkey, a prominent international entity, valued at INR80 crores to be executed over 10 years. This order involves a supply of spare wheel winches.

This expansion contract strengthens our expanding footprint in the global automotive supply chain and exemplifies our partnership capabilities with leading international OEMs. It marks another milestone in our journey under the Remsons 2.0 vision. BEE Lighting, a step-down subsidiary, has secured a new purchase order worth INR12 crores from a premier German multi-brand OEM.

This international contract focuses on exterior lighting design and development, and again marks a significant milestone in expanding our presence in the global automotive components market. This order is to be executed immediately. We are also excited to announce that Remsons Industries has entered into a strategic technical license agreement with AUSIS Automotive Systems Brazil.

This collaboration marks significant milestones in our international expansion and technology leadership, enabling advanced engineering and manufacturing technology transfer to our Brazilian partner. This will help the local Brazilian OEMs access innovative automotive solutions tailored to their market, thereby strengthening our global footprint.

Remsons-Uni Autonics Private Limited recently secured a significant international order worth INR3 crores from a leading German multi-brand OEM. This contract for the supply of exhaust gas recirculation EGR sensors will commence delivery in December 2025 and span over 36 months. This order highlights our growing presence in advanced automotive technology and our ability to compete successfully in global markets.

In conclusion, the beginning of 2026 has been exceptionally promising for Remsons. These diverse and significant developments highlighting our expanding global presence, strategic

diversification and alignment with future mobility trends. Under the Remsons 2.0 vision, we remain committed to innovation, sustainability, diversification and delivering value to our stakeholders as we continue to grow in the evolving mobility ecosystem.

Further, I am proud to share that Remsons Industries has been ranked 30th among India's top-grade mid-size workplaces 2025 and recognizes India as one of the best workplaces in auto and auto-component sector. Additionally, our Group CEO, Mr. Amit Srivastava has been honored as one of India's top 50 CEOs in 2025. These prestigious accolades reflect our strong leadership, inclusive work culture and commitment to excellence, inspiring us to continue driving growth.

The beginning of 2026 will undoubtedly be remarkable for Remsons, driven by new order business, strategic international partnerships. This year will also mark its first full year of revenue contribution from several recent acquisitions and new products we have successfully launched in the market. Looking ahead, we remain confident in achieving a revenue target of INR900 to INR1,000 crores by FY29.

The growth will be fueled by a stronger focus on exports, deliberate shift of our product portfolio towards higher value-added engineering products and a targeted strategy of acquiring high-margin offerings. With these planned initiatives, we are equally optimistic about expanding our beta margins to a range of 13% to 14%, reinforcing our commitment to profitable and sustainable growth under Remsons 2.0 vision.

I now hand over to our CFO, to walk you through the financial performance for the quarter.

Debendra Panda:

Good afternoon, everyone. I am pleased to announce that ICRA has upgraded the credit rating outlook for Remsons Industries Ltd. in recognition of our strong financial performance and operational excellence. Our long-term bank facility has improved from BBB to BBB+, while the short-term rating has moved up from A3 plus to A2.

On the financial front, at a consolidated basis, our revenue from operations for Q1 FY26 stood at INR99.6 crores, reflecting a robust growth of 30% year-on-year, with an EBITDA margin of 11%. Profit after tax was reported at a margin of approximately 4%. Despite expanding into our new segment and committing to FX for capacity expansion and new product launches, the company has maintained a strong balance sheet.

Our net debt-to-equity ratio remains at a healthy 0.63x, and we are committed to keeping it within the range of 0.63x within the range going forward. I am pleased to announce that during the quarter, the Board has approved a dividend of INR0.30 per share. During the quarter, we incurred a capex of INR50 crores to plan to invest an additional INR100 crores over the next two or three years.

With that, I would like to conclude my remarks and open the floor for Q&A.

Moderator:

Thank you very much. We will now begin the question and answer session. The first question is from the line of Saurabh Bansal from SB Company. Please go ahead.

- Saurabh Bansal:** Hi everyone. Good afternoon. Just wanted to check, basically, how do we plan to have a sustainable growth considering the lower base in this quarter? As compared to the previous quarter, we have dropped down a little bit. Just wanted to check how we are planning to have a sustainable growth in the future.
- Rahul Kejriwal:** Can you come again? What did?
- Saurabh Bansal:** As compared to the last quarter, the venue has come down a little bit. Just wanted to check how you are planning to have a sustainable growth in the coming quarters.
- Rahul Kejriwal:** If you see last year first quarter versus this year first quarter, we have had a growth of almost 30% in terms of revenue. Automotive business is a cyclic business. Always you have the first and second quarter will be slow and third and fourth quarter picks up always. Because of the high pickup in the first quarter, first quarter remains slow. So post-monsoon, the automotive industry picks up.
- We have done, as it is, 30% growth in the first quarter over last year first quarter. I am sure we will be able to maintain better sales revenue numbers going forward from this. I do not see a challenge in achieving sales targets this year.
- Saurabh Bansal:** Okay, great. Just wanted to check when you compare Y-on-Y. Your margin has increased approximately by 2%. What has led to this extension of margin?
- Rahul Kejriwal:** Our EBITDA, if you see...
- Debendra Panda:** EBITDA has increased by around 63% as compared to the last year. Because we have added the BEE Lighting in this year, not in the last year.
- Rahul Kejriwal:** Also, our operating profit has also increased in this year considerably. In the sense, we are on the path. Subject to any international events, we should be able to achieve our goals.
- Saurabh Bansal:** Okay. Okay, fine. Thank you.
- Moderator:** Thank you. The next question is from the line of Suresh Pal from KRSV Capital. Please go ahead.
- Suresh Pal:** Yes, my question is... If I see financial year FY25, the PAT growth and EPS growth was not similar. So, what was the reason for that? Compared to FY24, PAT growth and EPS growth was not similar.
- Management:** PAT growth was not similar?
- Suresh Pal:** Yes, means there is some discrepancy. Did you do any fundraise for which there might have been some equity dilution or something like that?
- Rahul Kejriwal:** So, the fundraise that we did, we did in '23.

- Suresh Pal:** Okay, okay. Yes. Then there might be something with the acquisition. Can it be a reason that EPS growth is...
- Rahul Kejriwal:** Correct, correct. So, the EPS will be diluted because of the acquisitions. And so, this year you see a higher EPS growth because the full year of the acquisition will come into play.
- Suresh Pal:** Yes, so due to the acquisition thing, the PAT growth, company level PAT growth and company level EPS growth was not similar. Is that a correct understanding?
- Debendra Panda:** PAT growth was there. In the last year, actually the subsidiaries, the P&L has emerged from October itself. But in this year, it will be for the full year. So, if you see the growth rate in terms of the EPS or your equity and all these things, all the ratio will be improved in this year. Okay.
- Suresh Pal:** And sir, regarding the Stellantis order from North America, will it be affected by this tariff thing going on?
- Rahul Kejriwal:** So far, they have not come back to us with anything. Plus, the supply is supposed to start from June of next year. So, we are sure between today and June of next year, this whole tariff matter will get sorted out.
- Suresh Pal:** Okay, okay, fine. Okay, thank you. That's all from my side.
- Moderator:** Thank you. The next question is from the line of Nishita from Sapphire Capital. Please go ahead.
- Nishita:** Hello, Yes. Good afternoon. So, you mentioned in the previous call that you will do a capex of around INR100 crores over the next three years. Just wanted to know how much capex have we done in this quarter from that?
- Debendra Panda:** In this quarter, we did around INR5 crores. But it was not for any acquisition or any other acquisition.
- Rahul Kejriwal:** Yes, it was for all our internal requirements, maintenance, machines and all. We will be doing another, I think, INR15 crores to INR20 crores capex this year for the orders that we have got. And the INR100 crores includes acquisition and acquisition of new machines and stuff like this for our ongoing business.
- So, the INR100 crores includes acquisition which will maybe happen at the end of the year or maybe somewhere in next year. So, this year we are looking at a capex of maybe about INR20 crores to INR30 crores going forward in this year. And this is all for the confirmed business that we have got.
- Nishita:** Okay. So, this year no new acquisitions are in place, right?
- Rahul Kejriwal:** We are in discussion but we are not sure we will conclude anything in this year.
- Nishita:** Okay. My next question is on the order book. How much total order book do we have in FY26?

- Rahul Kejriwal:** We don't work on an order book system because all our orders are open orders. We only get schedules from our customers for their requirements. So, it's a confirmed business. So, whatever our projections are, it's based on the customer guidelines. In the sense, they said that they will make so many vehicles in this year for that particular model or something. That's where we pick up, we give our future forecast based on that.
- Nishita:** Okay. And another question I had. So, this year, like in Q1, year on year, we have given a 30% revenue growth. So, we just wanted to understand whether this growth will be sustainable for FY26. And if so, are you increasing the guidance of 20%-25% that you have given previously?
- Rahul Kejriwal:** No, no. So, we had a growth of 30% in this quarter. The next quarter may not see such a big growth because, we have certain businesses that came into this quarter. So, on a quarter and quarter, every quarter, I'm sure you also understand that it's not possible to project that kind of growth.
- I think as far as the next quarter is concerned, it should be more on the industry average standard. Then the third quarter should pick up a little more. So, we are not changing our position on numbers that we have put out.
- Nishita:** Okay. And what were the key drivers for growth for this 30%?
- Rahul Kejriwal:** Exports was the key driver for growth for this 30%. And we've had some business wins from our foreign entities in the UK, which also drove this growth. So, Yes, that was what led to the 30% growth.
- Nishita:** Sorry, actually, I couldn't hear you. Can you, like, say it again?
- Rahul Kejriwal:** Yes, I think exports was a key driving factor for this 30% growth. We've had growth from our entities in the UK. Both our entities in the UK, which led to this kind of a growth taking place.
- Nishita:** Okay, understood. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Swapnil Gupta from White Pine Investments Management. Please go ahead.
- Swapnil Gupta:** Thank you for the opportunity, sir. Could you share the current revenue contribution from the Combi Braking System mechanism? And is the ABS becoming mandatory for new two-wheelers from 1st January 2026? How are you preparing for this transition?
- Rahul Kejriwal:** So, ABS is becoming mandatory only on a certain higher grade 150 plus cc vehicle. It is not across the platform. What we are supplying are CBS ranges for the 100 cc vehicles. So, we don't see that getting affected, at least in the next couple of years.
- Swapnil Gupta:** Okay, sir. Lastly, given that our standalone growth has been in single digit this quarter, could you help us break down the confusion from organic versus re-organic growth going forward?
- Rahul Kejriwal:** Sorry, can you repeat that?

Swapnil Gupta: So, our standalone business has grown by 8% this quarter by oil. So, going forward, how this business will grow? Inorganically and organically.

Rahul Kejriwal: Organically, we will grow. So, there will be industry kind of growth in the 1st and 2nd quarter. In the 3rd quarter, more businesses are materializing. So, we will grow better than industry average from the 3rd quarter onwards into our standalone numbers. And on consolidated numbers, we shall be stable in this year going forward. Because, you know, you will see a lot of geopolitical plus certain issues with the electrification that has slowed down in the US and European markets.

So, we hope to see a stable growth happening over there as well. Overall, between a mix of domestic and foreign entities, we will make sure that our growth numbers are, of course, higher than industry average standards. And we continue to maintain our numbers as projected earlier.

Swapnil Gupta: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Chirag Shah from White Pine Investment Management. Please go ahead.

Chirag Shah: Thanks for the opportunity and congrats for good set of results. First, the request in the presentation, if you can share a bit more granular detail, you can choose the way you want to give. Now that we have multiple businesses and some of the new engines are the growth drivers, it will help us to dissect the results in a better manner and actually also kind of track it whether some of the order wins are getting converted, etc.

Just a request, if you can look into that in how granular it is, at least on the revenue, if nothing else.

Rahul Kejriwal: Okay, we will see what, in the second investor release in the next quarter, we will see what best we can do in that.

Chirag Shah: Yes, because as of now, it is still doable doing standalone minus conso, given some of the businesses are in subsidiaries. And we see that standalone growth is around 8%-9% and the large part of growth has come because of inorganic accounting which has happened. So, that is one request.

Second is, recently on ABS, government or ministry of road had indicated that first, what is called, from January 2026, ABS is coming also in 100cc bikes. So, that is why the question is that, what is the current revenue contribution for us from combi braking system, one? If it is not meaningful, then it does not matter. That is why the question. Because there were media articles which indicated it will be made compulsory.

Rahul Kejriwal: So, like I mentioned earlier, combi braking system contributes to about 6%-7% of our sales. But like I mentioned earlier, the mandatory for ABS is made only for higher cc motorcycles. And our sales basically in the CBS sector is for the lower end of the cc, 100cc commuter motorcycles, where ABS is not made compulsory right now.

So, till the time that happens, our business is protected and I do not see at least a couple of years before, because even to supply for all the manufacturers, the demand for ABS is going to shoot up, by which there is no capacity enough right now to supply. So, I think they will take this as a phase-wise slow implementation, see the feedback and the cost implications, and then go back to the, because touching the commuter motorcycle will have a direct impact on the inflationary cost for people.

Chirag Shah: This is helpful. So, you said 6%-7% of, I presume, standalone revenue, right, not consol? Or is it consolidated?

Rahul Kejriwal: No, 6%-7% is consolidated.

Chirag Shah: Second is, recently you made an announcement of this INR3 crores sensor order. While the quantum seems to be low, small, but it's a good first step. Can you indicate what exactly is this order about? Is it a trial validation order? Or for how many units this order is going to be? And how to look at it from there? And from what customer profile do you have this order?

Rahul Kejriwal: This is an export order. This is an exhaust gas sensor. India is not exporting too many sensors outside. And our tie-ups enable us to have the technology to make such sensors. And this is going into a supplier and aggregator who assembles the entire unit with the exhaust manifold and supplies it to a very reputed, global, high-end vehicle manufacturer. So, I can't give out the name of the vehicle manufacturer because of NDA signed with them.

Chirag Shah: Is it a passenger vehicle, commercial vehicle? Or anything of that sort?

Rahul Kejriwal: Luxury passenger vehicle.

Chirag Shah: Okay, luxury passenger vehicle. And the scope of how big this can be? Is it initial order? How to look at it?

Rahul Kejriwal: Yes, this is the first order. So, even if this order doesn't become very big later on, which I'm sure could become, at least this gives us an exposure into the export market. And taking this product, we can approach many other customers to take the similar kind of product from us. Plus, it gives us a direct entry into the export passenger car segment, which is the largest part of the sensor-consuming segment globally today. So, it's a good step into securing large orders in the future.

Chirag Shah: And this is in subsidiary or this is in JV? So, the order will be made by a JV or by a subsidiary? 100% subsidiary.

Rahul Kejriwal: Subsidiary.

Chirag Shah: It's 100% subsidiary. And if I can ask two more questions on this. So, who would be your ideal competitor in this? And generally, what is the lead time in terms of development to final order win?

Rahul Kejriwal: In what? We have so many product lines.

Chirag Shah: In sensors, only.

- Rahul Kejriwal:** So, competition in sensors, there are so many. China is also a competition when it comes to global playing. India is a competition. Within India, most of the sensor players, good ones, are all 100% foreign units that are placed into India. In India, you might have players like Minda or someone who makes some sensors. And there are many more companies who do that, which I'm not quite frankly aware of. And what was your second question?
- Chirag Shah:** So, the question was your competition set. That was the question that I had. And the lead time required for you from RSP to final conversion?
- Rahul Kejriwal:** It depends on the sensor, but it could be anywhere from six months to two years, depending on the development and testing requirements.
- Chirag Shah:** Okay. So, if you have an RSP which gets into it, then first it will take six months to two years for it to convert into a business win. Correct?
- Rahul Kejriwal:** Minimum.
- Chirag Shah:** Yes. That's how one should get around that.
- Rahul Kejriwal:** Minimum two years also.
- Chirag Shah:** Okay. So, this is the question. But if you can, later on, if you can just, because there are too many types of sensors which are there in a vehicle. So, if you can just, somewhere in the presentation, indicate what exactly you do and what is the opportunity size in the space where you are. Because it's obvious we can't do all types of sensors, at least at the start.
- Rahul Kejriwal:** Sure. We'll do that.
- Chirag Shah:** And one last question on that EV three-wheeler. Now, good that you decided not to put further money. I really appreciate it as a minority. Investor. What happens to the INR10 crores that we have invested in the company? So, it's an equity investment, right? You are a normal equity shareholder in that company. Correct?
- Rahul Kejriwal:** Correct.
- Chirag Shah:** And if there is further dilution that could happen, your stake gets diluted accordingly. That's how one should look at it. But we will not participate in further dilution wherever in the future.
- Rahul Kejriwal:** We'll see on a case-to-case, on an event-to-event scenario. So, if the company does very well, picks up from there, the valuation of our investment also will increase exponentially accordingly. We'll have to take it, in the next six months we'll decide how and where we are shaping towards this.
- Chirag Shah:** So, you are okay to put further capital in the company in future? You will take a call on that.
- Rahul Kejriwal:** Not any significant capital. Okay.
- Chirag Shah:** Okay. Thank you and all the best.

- Moderator:** Thank you. The next question is from the line of Ajeet Siri from Eco Continuum Solutions. Please go ahead.
- Ajeet Siri:** Thanks for the opportunity. Sir, we are guiding for EBITDA margin of 13%-14%. So, it's a 200-300 basis point margin improvement. So, what will lead to this margin improvement?
- Rahul Kejriwal:** We ventured out into higher profit range of items, into more profitable items, export markets, global markets. So, I mean, shifting from more commodity products to a more technology-related product. That's where the margins are better. So, that's where we are coming from. By the end of 2029, this EBITDA margin should go to 13%-14%.
- Ajeet Siri:** So, can you please share what is the current share of value-added products and commodity products possible?
- Rahul Kejriwal:** I don't have that data on hand with me. But we should be right now, commodity products should be somewhere around 70% and value-added products should be 30%. This will change very drastically going the other way around in the next two to three years.
- Ajeet Siri:** Okay. And if possible, can you please share the export market region-wise contribution to our revenue?
- Rahul Kejriwal:** Region-wise contribution data, we don't share as such, where we are supplying what. Because a lot of this information is confidential from getting a protection from competition.
- Ajeet Siri:** Okay, sir. Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Shruth Banyani from Aziz India Please go ahead.
- Shruth Banyani:** Hi, sir. So, our results have been phenomenal compared to the overall performance of the auto industry. So, can you elaborate on what has led to this performance?
- Rahul Kejriwal:** Global entities have played a large part in this performance enhancement. There were some backed-up orders which we were able to execute and get this kind of a growth percentage which we've been able to get in this quarter. However, going forward, I mean, so 30% quarter-on-quarter growth and all is a wishful thinking.
- We will try to sustain growth in line with our, communicated timelines and vision. There could be ups and downs. The second quarter could be a bit muted because of the industry and the geopolitical events. But I'm sure third quarter and fourth quarter, like cyclic the industry is, will spring back exponentially at that point.
- Shruth Banyani:** Alright. Also, how are we seeing these US tariffs affecting our businesses? Because especially we are spread across the geography.
- Rahul Kejriwal:** At the point, everyone is very unclear of how the tariffs are going to affect and what is the actual tariff on ground? What is the final notification in it? So, we'll have to wait for some more time. By the time we actually find out and the implications, right? Right now, none of our customers

have pointed anything out to us, any concern out to us on the tariff percentages. So, we'll just have to wait for some time to see what happens.

Shruth Banyani: Okay, and last question from my side. So, the recently signed India-UK FTA, we have two acquisitions in the UK. So, how much do we stand to benefit from this trade?

Rahul Kejriwal: We are not exporting too much to the UK, any different in this. They are independent entities. They have their own products which are manufactured in-house. So, the additional transport costs and all sometimes make the product unviable to supply from India. Both the entities are very lean and cost structure based and they are able to compete in China also in global markets.

So, at this point of time, we are not trying to identify any product that they are going to start exporting from here because of this FTA. If any in the nature of business that they want from India, we are more than happy to supply.

Shruth Banyani: Alright, sir. Thank you so much.

Moderator: Thank you. The next question is from the line of Chirag Shah from White Pine Investment Management. Please go ahead.

Chirag Shah: Thanks for the opportunity again. So, you indicated 70% of our revenue is commodity and 30% is value-add. Now, how do you differentiate between the two, what is commodity and what is value? Is it more about gross margins that you make or is there something else also?

Rahul Kejriwal: No, based on technology and gross margins, you are right. It is based on technology and gross margins.

Chirag Shah: Okay. So, would it be a right statement that the last part of our additional business would be commodity in nature and some of the new M&A that we have done, when I say new M&A, since COVID or pre-COVID, would be classified as value-add business?

Rahul Kejriwal: Yes. So, all the acquisitions that we have done, we have done value-add business. Plus, some of the new product lines that we have developed, like shifters for the HCV range and all, they are all value-add business. Any new business that we are taking up is only value-add business. Like a commodity business would be something in terms of two-wheeler cables, which would be a very commodity business.

Chirag Shah: Okay. And by the year 2029, the vision that we have, by the year 2029, what do you aspire that commodity business share should be?

Rahul Kejriwal: Between 30%-40%.

Chirag Shah: Is the aspiration. Okay. Great. Thank you and all the best.

Moderator: Thank you. Ladies and gentlemen, as that was the last question for the day, I would now hand the conference over to the management for the closing comments. Over to you, sir.

Rahul Kejriwal:

I hope that you'll have been satisfied with the first quarter performance and we look forward to, we always look forward to giving out our best results and best efforts in whatever challenges we face going forward. But we would like to look at it optimistically and see if we can get some opportunity from within the challenges, which we will continue to do so in the years to come. Hope to have a similar call with the same exuberance in the next quarter as well. Thank you.

Moderator:

Thank you. On behalf of Go India Advisors Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.