



“Remsons Industries Limited
Q3 FY 2026 Earnings Conference Call”
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MODERATOR: **MS. SELINA SHEIKH – GO INDIA ADVISORS**

Moderator: Ladies and gentlemen, good day and welcome to the Remsons Industries Limited Q3 FY 2026 Earnings Conference Call hosted by Go India Advisors LLP.

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

I now hand the conference over to Ms. Selina Sheikh from Go India Advisors LLP. Thank you, and over to you.

Selina Sheikh: Good afternoon everyone, and welcome to Remsons Industries Limited Q3 and 9 month FY 2026 earnings call hosted by Go India Advisors. We have on call with us Mr. Rahul Kejriwal, the Whole Time Director; 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 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 will open the floor for Q&A.

Thank you and over to you, sir.

Rahul Kejriwal: Thank you. Good afternoon everyone and welcome to the earnings call of Remsons Industries Limited for our Q3 FY 2026 results. I hope you’ve 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 strategy roadmap, and outline our growth ambitions. At its core, Remsons is built on a strong foundation. We are India's largest and one of the earliest manufacturers of control cables. However, the company today is very different from what it was even a few years ago. We are steadily transforming into a technology-oriented mobility solutions provider, with capabilities that now extend across the complete mobility value chain. This transformation, which we refer to as Remsons 2.0, is already visible in our product mix, customer engagement, and strategic investments.

Larger OEMs have reported higher volumes and record sales, reflecting strong underlying demand. We maintain long-standing partnerships with major OEMs in this space and as an EV agnostic partner, are actively collaborating with them on new product development. Riding on this positive momentum from OEMs, we are well positioned to benefit from improving demand conditions supported by a gradual recovery in rural consumption, a strong pipeline of new launches, increasing premiumization, higher disposable incomes, and a growing preference for performance-led and fuel-efficient vehicles.

Before turning to company-specific performance, I would like to briefly touch upon the broader industry environment, which continues to be supportive to the Indian auto and auto component sector. The Indian auto ancillary industry is currently positioned in a favorable demand upcycle,

supported by steady OEM production, rising replacement demand, and increasing component content per vehicle.

In FY 2025, the sector recorded an estimated turnover of INR6.7 lakh crore with an export of USD 23 billion, highlighting India's growth importance in the global automotive supply chain. Industry growth is expected to sustain at 7% to 9% over the medium term, driven not just by volumes, but also by higher value-added content.

A key structural driver remains electrification. EVs typically require higher electronic control, lighting, and precision-engineered components compared to ICE vehicles, resulting in higher content per vehicle. Alongside EVs, increased adoption of safety, emission, and control features is enabling component suppliers to grow faster than underlying vehicle production.

The policy environment remains supportive. Government initiatives such as the expanded PLI scheme, localization incentives, and infrastructure-led growth are encouraging capacity expansion and technology investments across the sector. These measures are accelerating the industry's transition from conventional manufacturing to advanced export-oriented engineering solutions.

From a global perspective, a recent development has been the India-US agreement to reduce tariffs on select auto components from 50% to 18%. This is a very meaningful positive for Indian auto component exporters, as the US remains one of the largest and most strategic export markets. The tariff reduction materially improves price competitiveness, enhances margin potential, and strengthens India's positioning as a preferred sourcing destination for global OEMs and Tier-1 suppliers.

Overall, the combination of demand upcycle, rising content per vehicle, supportive policy measures, and improving global trade dynamics provide a strong and durable growth backdrop for the Indian auto ancillary sector.

Turning briefly to the policy environment, the Union Budget provided a supportive backdrop for the auto and auto component sector, particularly in the context of electrification and infrastructure-led growth. From a product standpoint, Remsons is well positioned to benefit from these shifts. Our expertise across control cables, jacks, winches, and pedal boxes enable us to capture higher content per vehicle as OEMs increase feature intensity and platform complexity. With India continuing to be the world's largest two-wheeler market, export volumes beginning to show signs of recovery, we are seeing meaningful opportunities to deepen our presence in both domestic markets and key export geographies.

Coming to the key updates for the quarter, during Q3 FY 2026, we continue to strengthen our growth through a combination of capacity planning and fresh order wins. As part of our expansion roadmap, we identified an additional 20,000 square feet of land in the NCR region, which would support future capacity augmentation and long-term initiatives.

On the order front, we received a INR60 crore order from a leading Indian commercial vehicle OEM for supply of gear shifters and push-pull cables. This order is scheduled to commence Q1 FY 2027 and will be executed over a five-year period, providing strong long-term revenue visibility in the domestic CV segment.

Beyond the quarter, progress across our three strategic initiatives remains on track. Execution of the INR300 plus crore multi-year Stellantis contract in North America is proceeding as planned, with supply set to begin from the next financial year across smart cars, Jeep models, and the three-wheeler segment. Our newly commissioned 30,000 square feet locomotive manufacturing facility at Chakan is progressing as per plan and marks a meaningful expansion of our capabilities into railway applications.

In terms of global order execution, we continue to see steady progress across the portfolio. The INR12 crore BEE Lighting order from a German OEM is under active execution, while the INR3 crore EGR sensor order from another German OEM remains on track with delivery from December 2025. On the international front, our technical license agreement with Ausus Automotive in Brazil is progressing smoothly, giving us insight into the Brazil domestic automotive OEM and aftermarket, and we are trying to figure out our inroads into them through our technology partners.

Collectively, these initiatives reflect our continued diversification across railways, electric mobility, and lighting, while reinforcing our focus on premiumization and exports. With exports contributing 33% of Q3 sales, we remain well positioned to deliver a 20% plus CAGR, as well as progress towards our INR900 crore to INR1,000 crore revenue target by FY 2029.

To sum up, FY 2026 is shaping up to be a pivotal year for Remsons, with strong early momentum supported by large order wins, deeper global engagement, and steady execution across new verticals. Our recent initiatives underscore the strength of our strategy to diversify intelligently, scale internationally, and stay closely aligned with the evolving mobility landscape in line with the Remsons 2.0 roadmap.

With these drivers in place, we are confident of steadfastly improving profitability and expanding EBITDA margins to a 13% to 14% range while maintaining our focus on long-term sustainable value creation.

On the financial front, on a consolidated basis, revenue from operations for Q3 FY 2026 stood at INR123 crores, registering a healthy year-on-year growth of 20%. EBITDA margins for the quarter were at 12%, while profit after tax delivered a margin of approximately 4%. Revenue at nine months FY 2026 consolidated stood at INR338 crores, a 25% growth year-on-year with EBITDA margins of 11% and PAT margins of 4%.

Despite our continued expansion into new business segments and ongoing capex commitments towards capacity augmentation and new product launches, we have maintained a strong and disciplined balance sheet. Our net debt-to-equity remains comfortable at 0.63x and we remain committed to operating within this leverage going forward.

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

Moderator:

Thank you very much. We will now begin the question-and-answer session. Our first question comes from the line of Disha from Sapphire Capital. Please go ahead.

Disha:

Hello. Am I audible, sir?

- Rahul Kejriwal:** Yes, please go ahead.
- Disha:** Yes. Thank you so much for this opportunity. So firstly, sir, on the Stellantis order, you mentioned that the supply is expected to begin from the next quarter. What sort of revenue are we expecting in FY '27 and how would this ramp up be for this execution of this order?
- Rahul Kejriwal:** Which one are you talking about?
- Disha:** The Stellantis order.
- Rahul Kejriwal:** Yes. So this will commence from FY of this financial year and we see about maybe INR15 crores to INR20 crores of it materializing in this financial year.
- Disha:** And then going ahead, what -- so this is going to be the run rate?
- Rahul Kejriwal:** No, so this is on a half-yearly basis. So going forward, next year it will be about a INR40 crores to INR50 crores annual run rate.
- Disha:** Yes, yes. That's what I meant, so INR40 crores- INR45 crores annual run rate, right?
- Rahul Kejriwal:** Yes, yes.
- Disha:** Okay. And sir, just -- so we've seen margin improvement quarter-on-quarter and that is with this product mix evolving, we see the value-added share increasing. So what sort of target you have for value-added versus these commodity products for FY '27 and going ahead? And where would you like to see this number say by FY '29?
- Rahul Kejriwal:** Yes. So like I said, we will see an -- overall we want to see an EBITDA of about 13% to 14%. Now that will be a journey over the next two or three years because although we are changing the product mix, it's not going to be so drastically changing every year. So the legacy products with the commodity products is still the largest pie and we are slowly looking to move from there or enhance productivity and enhance profitability from there as well. So like I said, on a two or three year basis, we will see 13% to 14% EBITDA.
- Disha:** Okay, 13% to 14% EBITDA, okay. And sir, just for the export and the domestic mix, I think this quarter, for this nine months it was around 33% to 67%. Where do we see this mix heading towards given the trade deals and the tariff announcements? How do you read the overall export environment?
- Rahul Kejriwal:** So from a percentage standpoint, we are growing both domestically and exports. So it will not be that just we are growing in one sector. So the percentage may not change so drastically or conversely, but the numbers in both the export and the domestic, both will increase simultaneously.
- Disha:** So this sort of share we can see to maintain this sort of share, right? 40-60?
- Rahul Kejriwal:** Absolutely. Absolutely. 40-60, 30-70, 40-60.
- Disha:** Yes, yes. And just on the Capex, so for this NCR, what sort of Capex are we planning?

- Rahul Kejriwal:** Right now, for which – for the capacity expansion that we are putting?
- Disha:** Right, yes.
- Rahul Kejriwal:** So that will not be a very large Capex. It will be somewhere close to about INR3 crores to INR4 crores.
- Disha:** Okay. And what was -- how much have we done till now, the Capex for this year?
- Rahul Kejriwal:** I think we've done about INR15 crores to INR19 crores so far.
- Disha:** And what are we planning to end this year—and are we planning some more in this year?
- Rahul Kejriwal:** A little more. We have just about one and a half months to go, but I think the one and a half months will take at least INR5 crores to INR7 crores of more of Capex.
- Disha:** And so for the next year, any sort of guidance you have for the Capex number?
- Rahul Kejriwal:** We are still formulating that, but it should be close to anywhere INR20 crores plus.
- Disha:** INR20 crore plus.
- Rahul Kejriwal:** Yes.
- Disha:** Okay, okay. And sir, just on the last question from my side on the Brazilian partnership. What sort of revenue potential you see here? What sort of margins, what sort of synergy benefits are you seeing here? If you could just elaborate a bit on that.
- Rahul Kejriwal:** So right now we are studying the markets. We are quoting for programs which will be, delivered within Brazil. Right now -- so it will be not at a very, very some superlatively high margins, but at least it will bring us inroads into the market which is virgin for us at this point of time. So it will -- however, it would take about a year, year and a half before we see some actual deliveries happening into that market.
- The waters are being tested at this point of time and even our collaboration is, you know, being put to the best-case scenario use as to what is the best scenario are we supposed to export from India, are we supposed to do a hybrid between export and some part of it made there, or should we make it there? You know, everything is open and on the table right now.
- Disha:** But sir, any sort of number you'd like to put on the size of like the opportunities?
- Rahul Kejriwal:** Not at the moment.
- Disha:** Okay.
- Rahul Kejriwal:** Maybe after about three months I should be able to put some numbers.
- Disha:** Sure, sure. Thank you so much and all the best.

- Moderator:** Thank you. A reminder to all the participants, if you wish to ask questions, you may press star and one at this time. Our next question comes from the line of Shyam Sampat from MSA Capital Partners. Please go ahead.
- Shyam Sampat:** Hello, sir. Good afternoon. Firstly, congratulations on a good set of numbers. I wanted to understand first, sir, on our current asset base, what is the level of revenue further that we can achieve and for our future goal of the INR900 crores to INR1,000 crores of revenue that we're targeting by FY 2029, what capex do we plan to do additional for that?
- Rahul Kejriwal:** So on our current asset base, we will be able to get a fair bit of revenue. In the sense I think reaching about INR600 crores to INR650 crores with minimal. It's not -- the current asset base will deliver all that. So incremental capex will need to be done to the current asset base also to achieve this. So as far as the INR900 crore to INR1,000 crore revenue is there, we've already put up bulletins saying that, you know, INR100 crore of investment would be required in there and we maintain that, which also includes inorganic acquisitions on our way to achieve that journey.
- Shyam Sampat:** Okay, so INR100 crores which includes inorganic acquisitions and capex to achieve INR900 crores to INR1,000 crores by FY 2029. Okay.
- Rahul Kejriwal:** Yes.
- Shyam Sampat:** Okay, sir. Sir -- and can you give a rough split of how much you're targeting for the organic and inorganic to achieve this INR900 crores – INR1,000 crores figure? Like how much is dependent on acquisitions as compared to the organic?
- Rahul Kejriwal:** Maybe about INR150 crores to INR200 crores will depend on acquisitions and the rest INR800 to INR850 would be through organic growth.
- Shyam Sampat:** Okay, alright. Alright, sir. Sir, and how do we look at our margin expansion plan? Are we trying to continue focusing on getting better – like orders from better customers or do you want to also get into backward integration going up the value chain or in some other way to expand margins?
- Rahul Kejriwal:** No, we are doing forward integration. We are adding systems rather than components. So and we are trying to do products that are technology more driven and have a low entry barriers—and high entry barriers actually. So that way we are trying to expand our margins with a little bit of change in our product portfolio.
- Shyam Sampat:** Sorry, sir, I didn't get the last bit. Could you repeat that? Change in...
- Rahul Kejriwal:** I am saying, we are trying to do a little bit of a change in our product portfolio to add value-added products and go up the value chain by adding system supplies rather than component supplies.
- Shyam Sampat:** Okay, okay sir, got it. Sir, and with the geographies that we deal with, right? We have Bee Lighting in UK, we have Uni Autronics, we have Aircom, Daiichi. So, these are all different, like diverse geographies. So I just wanted to understand what challenges could we face to, you know, what roadblocks might we face to operate efficiently and without compromising on our focus on the core product portfolio?

- Rahul Kejriwal:** No, no. Whether it is Aircom or Daiichi, they are based for JVs out of India. So we are dealing with a single geography of India as far as they are concerned. Even Uni Automation is India-based. So this is—the geography is single. We have two units in the UK and we're exporting to different geographies like UK, Mexico, Canada, North America, and Brazil also currently also. So from a geography, our exports are more into these different geographies. Manufacturing base is just basically India and the UK.
- Shyam Sampat:** Okay, sir, understood, understood. Sir and with the capex plan of INR100 crores that you mentioned, right? How do we view our net debt trajectory for the future? Do we see any more leveraging our balance sheet?
- Rahul Kejriwal:** No, not much. There are different ways of raising capital, we are looking at them. We intend to keep our debt-equity ratio to between 0.6 and 0.8 going forward.
- Shyam Sampat:** Okay, okay sir. Sir, and with the INR12 crore order for BEE Lighting, are we -- what strategy are we looking at? Do we want to be specialized in the design and engineering field or do we want to set a full-scale light manufacturing in India?
- Rahul Kejriwal:** No, so this is not for India. This is for a German auto OEM from our U.K. facility. This is the first order which is design. The second and once they are satisfied with that, the second and third could be into low volume manufacturing along with the design. So, we are trying to slowly progress -- so we already have the low volume manufacturing. We do not intend to get into high volume manufacturing, but low and medium volume is where is our sweet spot from that location. A high margin, low and medium volume manufacturing.
- Shyam Sampat:** Okay, understood. Sir, my last question is with the 30,000 square feet facility that we have for railway applications. I believe the contracts over there are usually longer payment cycles. So, do we expect any structural shift in our working capital days for that?
- Rahul Kejriwal:** No, because it will be a mix between private and public enterprise. So, on the private team, we generally work on advance or within the 30 to 60-day payment cycle term. As far as the public is concerned on the -- if it's a direct tendering to the railways, the payments are secured. So, we can always discount them and keep our working cycle content the same.
- Shyam Sampat:** Okay, understood sir. Thank you so much and all the best.
- Moderator:** Thank you. Our next question comes from the line of Kumar Saurabh from Scientific Investing. Please go ahead.
- Kumar Saurabh:** Hello, am I audible?
- Moderator:** Yes, we can hear you.
- Kumar Saurabh:** Okay, yes. So, congratulations on a good set of numbers. I have few questions. First, one observation sir, in the investor PPT Slide 5 and Slide 6, in one slide it's mentioned our INR900 crores revenue target in FY 2030 and another it's mentioned FY 2029. I know businesses are not standard, don't run in that way, but still is it FY 2029 or FY 2030, if you can just confirm again?

Rahul Kejriwal: It's between FY 2029 and FY 2030 somewhere. We have not -- so I mean, it's not something written in stone. I mean, it's the future. We don't -- we can't look so much forward, but somewhere between FY '29 but mostly FY 2030 that we should be there.

Kumar Saurabh: Got it, got it. Next question sir on the Astro Motors. I think in one of the presentations you have mentioned about FY 2031 or 2033 market size opportunity INR30,000 crore plus. But I think Astro Motors products are on B2B.

So, a few questions on the -- if you can elaborate a little bit on what is your, you know, vision on this business in terms of what kind of -- what is the relevant TAM, what kind of market share we want to have over four, five years, and what is our current revenue margin and how do you see scaling up in the long term? If you can give some qualitative and data insights on that.

Rahul Kejriwal: As far as that business is concerned, I would rather give a little more guidance in the next call rather than this call.

Kumar Saurabh: Sure, sure. And third question sir on the Magal Cables. Last year has not been good. So how are things going on right now and how do you see FY 2027 playing out?

Rahul Kejriwal: Sorry, which cables?

Kumar Saurabh: Magal Cables, the UK acquisition we have done in 2020.

Rahul Kejriwal: Right. So, this year should be stable. We should not expect a high growth. Some of the programs specifically in the global EV sector has been a few which business was awarded to us, but they are looking to compensate that by awarding some more business for which discussions are going on. So, we are looking at a stable size right now. Growth would come in within the next after -- after this coming year, next year. Because apart from the cables, we are also looking at closing some other businesses for the unit, which will all start from year 2028.

Kumar Saurabh: Got it, got it. And sir, last question. Quite a few acquisitions which we have done, it's in Europe. And usually when we see the European automotive industry is not doing well. And despite of that, if we see basically our growth business has done very, very well, which is really commendable. But do you see any future risk on the all these acquired companies in the European market given how European auto cycle is going on?

Rahul Kejriwal: So most of our sales is not in Europe, it's outside Europe. It's in the U.S., Mexico, Canada region. A few -- a bit of sales is in Europe. So that way we are secured even if the European sector is a little slow. Our basic sales is outside Europe. Like for example, then when we had the JLR cyber-attack, the plant was shut for almost 3 to 5 months, it did affect the turnover and the this thing, but since we were protected with the U.S. sales and U.K. already had the first treaty with U.S., so that did not affect us in any way.

Kumar Saurabh: Sure, great. That's all I had sir. Wish you all the best. Thank you.

Rahul Kejriwal: Thank you.

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

- Chirag Shah:** Yes, thank you for this opportunity. Rahul, two questions. One, this Indo -- India-U.S. treaty that has been done. So can you just share some light on what products of our portfolio we stand at an advantage because it's largely versus China. If China is a competitor to our products, then we have a real advantage. Is this the understanding correct? And which are products from our portfolio where there is an advantage? And related to that, are there any discussions that were already going on with the U.S. customers or we will have to start it a fresh now on that side?
- Rahul Kejriwal:** No. So China is a competition for most of the suppliers globally, but we also face competition on the local manufacturers in the U.S. and all the other global customers as well. However, as for the U.S. is concerned, we had won significant amount of businesses from there before the tariffs were put in place. None of the contracts were renegotiated. It continued to be the same. And with the tariff getting abolished right now, it's a plus. We don't need to worry about that so much now. And our supplies will be starting in quarter 2 of this year.
- So right now, after winning the business, we went into development phase. However, we will -- so because of the tariffs, a lot of new inquiries are put kind of on hold, which will start flowing in now. So the next year and the year after that, all the future inquiries will -- it will definitely give a boost to that. But it did not affect any of our businesses that we were doing or we had materialized with the U.S.
- Chirag Shah:** So what products, if you can help summarize for, it would be helpful. What products we export to U.S. today of our portfolio, what all things get exported to U.S. from India.
- Rahul Kejriwal:** Cables.
- Chirag Shah:** Cables, right? Only cables. Nothing else?
- Rahul Kejriwal:** Yes.
- Chirag Shah:** And any thought process of entering into making lightings in India and then exporting to U.S. or not required because the duty is 10% between U.K. and U.S. So if at all, U.K. would be used as a base?
- Rahul Kejriwal:** Yes. It's better to supply it from there at this point of time rather than incur a CapEx of investing into your setting up a plant and looking to invest because all your supplier network, everything has to be redeveloped. It's not going to add any value at this point of time.
- Chirag Shah:** And you are saying in control cables for us China is a competitor in US?
- Rahul Kejriwal:** Always, it's always been.
- Chirag Shah:** Or not really... no, no, okay, let me rephrase. If China had a big share in export of control cable to either U.S. or Mexico or their share is not that significant?
- Rahul Kejriwal:** No, they have a very big share. They have a very big share. So whenever we win the business, we are eating into their share of business.

- Chirag Shah:** Okay. This is helpful. And would you like to call out the number of customers with whom there were inquiries coming across 3, 4, 5 customers before the tariff issue came across RFQs or something like that?
- Rahul Kejriwal:** Not at this point of time.
- Chirag Shah:** Because those customers again you will restart to engage, correct? The customers before the...
- Rahul Kejriwal:** Yes, true. But I would not like to put names on the board right now.
- Chirag Shah:** Not names, some qualitative number whether it is one customer, existing customer, or there are more customers that we are interacting...
- Rahul Kejriwal:** No, there are about two or three customers. The value could be in the terms of INR40 crores to INR50 crores annually. So there were between two and three customers.
- Chirag Shah:** Okay. And last question from my side. Assuming that this ABS regulation, which is hanging, if it comes, I'm not saying it will come, if it comes, what is the impact on our consolidated revenue? Is it 5%, 7% of our consolidated revenue gets affected because of that?
- Rahul Kejriwal:** On the consolidated revenue, about you could say 8% will get affected.
- Chirag Shah:** 8% will get affected. And is there an alternate solution for us to -- or not really?
- Rahul Kejriwal:** No, we have already factored in that in our approach, and our projections are made with as if that's already been implemented. So, we are already factoring in that if it comes in, if it doesn't come in, it will be a boost for us.
- Chirag Shah:** Okay. And in your assessment, when do you think it is like, because it has already got delayed. So, when do you think the next possible date? Your guess would be better than ours.
- Rahul Kejriwal:** No, I don't know. We keep asking the OEMs when is your next meeting on this and the meeting is also delayed. So we really don't know what behind-the-scenes is happening, because it is a very sensitive topic and no one wants to give any dates or something to us. They have a despair of this risk of, like, the suppliers behaving differently after they give some names. So they rather refrain from giving anything.
- Chirag Shah:** Okay, great. And on the railways, would you --for the railways part of, not the private part of business, but the railway part of business, the government part of the business, you will require this RDSO approval, right? Or you will not be requiring it?
- Rahul Kejriwal:** 100% required. Even for the private sector to be able to supply to the private sector.
- Chirag Shah:** You will require that approval. So that process takes how much time in your assessment? Assuming the product is ready today then how much time it takes?
- Rahul Kejriwal:** So certain products require field trial and certain products don't require field trial. So, the ones that don't require field trial, still it has to go through a process of observation, which is about a

30 to 90 period observation cycle. And the ones which require field trial could be anywhere between six months to a year of field trial.

Chirag Shah: A year.

Rahul Kejriwal: So we have got various products, which are not requiring field trial, and some of which are requiring field trial. So when we plan for the long-term, we are planning whatever products we plan there's a mix of both. Certain RDSO approvals have already been initiated and we are halfway through them already.

Chirag Shah: Okay, great. Okay, thank you, and all the best.

Moderator: Thank you. Our next question comes from the line of Athar Syed from Smart Sync Services. Please go ahead. Mr. Syed, your line has been unmuted. Please go ahead with your question.

Athar Syed: Hello?

Moderator: Yes, you are audible.

Athar Syed: Good afternoon, sir. I would like to know about the order book. How much order book do we have as of now, and how much order do we have in our pipeline?

Rahul Kejriwal: So, our order book would be at least INR500 crores at this point of time. And in the pipeline, we would be having at least orders for about INR800 crores to 900 crores. I mean, it's very difficult in this industry, which is a continuously -- it's not like an order win for us. We work on a schedule basis; we win the business and every year the schedules come in.

So like I said, we have INR500 crores of orders at this point of time, and on the pipeline if you see the next two or three years, we have about INR800 crores, INR900 crores of orders.

Athar Syed: So right now how much in the pipeline?

Rahul Kejriwal: INR500 crores.

Athar Syed: Can you please throw some light on how our receivable days work, like, credit period and all?

Rahul Kejriwal: I will refer this to my team.

Debendra Panda: See, normally for all the OEMs, we maintain the receivable days at 60 days. So it's a payment cycle for all the OEMs, so basically our receivable days if you see the balance sheet also, it comes from 55 to 56 days on an average.

Athar Syed: Okay, okay sir, got it. Thank you, thank you so much.

Rahul Kejriwal: Okay.

Moderator: Thank you. Our next question comes from the line of Runit Kapoor from Investire Investments. Please go ahead.

- Runit Kapoor:** Yes, hi. Thanks for the opportunity and congratulations on a good set of numbers. So my first question is regarding Mexico increasing the tariffs on auto ancillaries. So I want to know what is our exposure to Mexico and how will this affect us as such?
- Rahul Kejriwal:** So we don't have any direct exposure to Mexico. So it doesn't affect us in any way. We have our exposure to Mexico – have such tariff barriers over there.
- Runit Kapoor:** Okay. And secondly, I want to know is, now with the EU FTA being finalized, how is the RFQ inquiries and the new order inflows expected to increase from there? Like can you give a ballpark number regarding that?
- Rahul Kejriwal:** No, because it has just been signed. We are yet to find out from the industry what they feel about it. And it's not going to drastically, suddenly some floodgates are going to open, it's not going to work like that. Because you know, everybody has their suppliers, no one wants to change just because of one policy being signed. Because you see a policy can be signed, it can be changed, it can be—additional tariffs can be put at any point of time. So no one wants to take knee-jerk reactions. So like although it's a good thing for us, but it will be within the next three to six months where things will really unfold.
- Runit Kapoor:** Okay. And thirdly, I want to know is, regarding you were planning one more acquisition. So which geographies are you looking at and which specific sub-segments are you looking at and any – how much amount are you putting on hold for that acquisition?
- Rahul Kejriwal:** We are open right now, which will give us the best value for product and gives us a position globally with that product. We are putting aside about INR50 crores to INR70 crores for that acquisition. It maybe between INR50 crores to INR70 crores.
- Runit Kapoor:** And any specific geographies or like...
- Rahul Kejriwal:** No, we are open right now. We are seeing which will give us the best value for money in terms of ROI as well as the product and the product should be fit in different geographies and not just one geography.
- Runit Kapoor:** So any range of products are you looking at? Like can you just give an example, like two, three product ranges as such, like...
- Rahul Kejriwal:** No, actually we've kept ourselves pretty open. As you can see from our past acquisitions also, it's been completely non-relatable products also. So we've kept ourselves pretty open. We just, you know, we are open to evaluate various products. So people are coming up with various opportunities and they are under evaluation right now. So it'd be too early to give any answer right now on that.
- Runit Kapoor:** Okay. And then regarding Astro Motors, I believe the company has cancelled the acquisition of the remaining stake. So what is the future plan regarding that because it's a non-core business...
- Rahul Kejriwal:** That question was asked before also and I said I would be in a better position to answer this in the next call because there are certain strategies we are playing for this. So right now I would rather refrain from answering any question on that and keep it for the next call.

- Runit Kapoor:** Okay. Yes. And lastly, what is the guidance are you looking at for FY '27?
- Rahul Kejriwal:** FY '27 in terms of numbers, consolidated revenue?
- Runit Kapoor:** Consolidated revenue.
- Rahul Kejriwal:** Somewhere between INR520 crores to INR570 crores, somewhere between that.
- Runit Kapoor:** Okay. And the margin would be steadily improving, like it won't go to 14%, but 11% and 12% it should go by next year?
- Rahul Kejriwal:** Yes, somewhere, yes, steadily. It won't jump. It will be on a steady increase.
- Runit Kapoor:** And this is considering the acquisition or without the acquisition? Because...
- Rahul Kejriwal:** No, this is without the acquisition.
- Runit Kapoor:** Okay. And the acquisition is – how are you planning to fund it? Like because would you be diluting more equity or like through debt, like...
- Rahul Kejriwal:** No, we are evaluating all options at this point of time. Maybe part equity, part debt.
- Runit Kapoor:** Okay. And this will be done at this year only or next year, like...
- Rahul Kejriwal:** It depends on the acquisition that is presented to us. It could be – it could be anytime. It could be this year, it could be next year, it could be the year after that. You know, it depends on the best opportunity that we get. Plus the markets also need to be supportive at that point of the opportunities that we get.
- Runit Kapoor:** Okay, thank you. That's it from my side.
- Moderator:** Thank you. Ladies and gentlemen, if you wish to ask a question, you may press star and one at this time. Our next question comes from the line of Rohit Ohri from Progressive Shares. Please go ahead.
- Rohit Ohri:** Hi Rahul. Couple of questions and some clarifications as well. First one, the clarification. In September '25, we mentioned about acquisition of 80,000 square feet area in NCR region and today we are talking about addition of 20,000 more. So is it like -- is it combined 80 plus 20, is that what is the correct number at NCR?
- Rahul Kejriwal:** No. So we had not given a guidance on acquisition. We had said that we are exploring an 80,000 square feet opportunity. However, with the industry scenario and some of the changes, we have bottled it down to 20,000, which will suffice for the next year. However, we will be going with another 20,000 somewhere in the Pune region also. So it'll be a total of 40,000 going forward.
- Rohit Ohri:** Okay. Any thoughts on what would be the purpose, are you looking at the ADAS or maybe EV systems or some advanced drivers or something? What exactly are you looking at or is it the customers or clients are asking you to establish a manufacturing unit closer to them or something like that?

- Rahul Kejriwal:** No. So our product doesn't require to be next to the manufacturer.
- Rohit Ohri:** Okay.
- Rahul Kejriwal:** But the order wins which we already have, the space requirement to service them is that -- that's where we need the space.
- Rohit Ohri:** Okay. For the Brazil tech partnership, you mentioned that you're looking at some studying the market and trying to get some inroads into the market, but will you be looking at some acquisition over there or anything of that sort, any development on that side?
- Rahul Kejriwal:** Difficult, difficult for an acquisition, because it's not the easiest of territories to work in with their labor laws and stuff. So we would rather stay on a TA basis or have a partner over there to do the front-end work. That's where we're looking at.
- Rohit Ohri:** Fine. Next question on the railway side. I know we had some products in the past, but it appears that you're working on some new products with some portfolio expansion. If you can take us through that, that how many such products are in pipeline and how many are intended to be launched maybe in the next six or eight quarters or something like that?
- Rahul Kejriwal:** Yes. So we're already working on air brake components, then we're working on slack adjusters and we're working on air reservoirs in the pipeline as of now. Air brake components are a multiple of about 8 to 10 parts that go into it. The CC audit has already been commenced for that. Slack adjuster audit is going to happen in the month of February. And the air reservoir audit will happen in the month of March. So by the time it goes into production, it could be six to eight months by the time we see them going into production.
- Rohit Ohri:** Okay. And does these products which are launched, 8 to 10, do they limit us only to the domestic market or do we have opportunities in the export market?
- Rahul Kejriwal:** No. So there are opportunities in the export market as well. All these products have opportunities in the export market as well. We are already talking to companies in this market. But we are getting a first -- our first priority objective is to get the RDSO approval and get the product ready, and then we will take it more forcefully to the export market.
- Rohit Ohri:** Any number or revenue projection that you anticipate, which you'd like to share with us?
- Rahul Kejriwal:** For the railway segment, we should be talking anywhere between INR25 crores to INR35 crores this year.
- Rohit Ohri:** Okay. My last question is related to the defense segment. In Q4 FY25, we mentioned that we were working for some defense products or maybe developing something. If you can take us through that what sort of development has happened over there or is it currently stagnant or some positive revenue generation it can happen from there?
- Rahul Kejriwal:** So all the projects that we work on has a two-year frame before it comes into a production, because we are not directly working with the government on this. We are working with the larger defense companies, which are supplying the whole vehicle that is being supplied to the defense.

So the vehicle architecture and the building and approvals and the testing, that's a long-drawn process. So like earlier also I said, it may not be very high revenue commensurate, but it's a -- but we take solace in the fact that we're doing something for the government and something good for the people of the country.

Rohit Ohri: True, because I also remember the Prime Minister visiting one of your stalls, I think six or eight months ago, in one of the Expos. That's the reason why this question came up.

Rahul Kejriwal: Correct, correct. He was more in terms of the Atmanirbhar Bharat and where we have demonstrated a lot of products that we have brought from global technologies and domesticated it in India.

Rohit Ohri: And any numbers that that could generate into revenues?

Rahul Kejriwal: So we've already generated some parts into revenue, almost INR10 crores to INR15 crores in the last year, and we're looking to add more products from our global partners into India and domesticate -- have it like, Atmanirbhar with us.

Rohit Ohri: Okay Rahul, that's all from my side. All the very best and thank you for answering all the questions. Thanks a lot.

Rahul Kejriwal: Thanks.

Moderator: Thank you. Our next question comes from the line of Anukool from InVed. Please go ahead.

Anukool: Yes. Hi, sir. Thanks for the opportunity and congratulations on a good set of numbers. Sir, my first question is on the industry side. Like how is the growth for ICE engines versus the EV or hybrid side, and how is it going to be over the next couple of years?

Rahul Kejriwal: So the ICE engines is predominantly going to be the largest market share over the next 10 years also. The EV engines are going to be maybe over the next 10 years, it could be between 20% to 25% of the market share as far as the passenger cars are concerned.

On the two-wheeler side also, we don't see a bigger than a 30% inroads into the EV engines over the next five to six years at least. So as we talk to OEMs, they have asked us to continue our investments into the ICE technology for different products as well and for the current products. Because but our products are pretty much agnostic to EV or ICE.

Anukool: All right sir, got it, got it. Sir, nextly on the side like your guidance for an INR900 crores, INR1,000 crores topline by FY29, FY30. So what would be the mix through our legacy business versus our new-age businesses? What would be the mix that we could hit in for?

Rahul Kejriwal: So I think 60% would still be the legacy business and 40% would be the new business.

Anukool: Okay. And then the margins would be preferably on that front only, because I think legacy business has lower margins compared to the new-age.

Rahul Kejriwal: So we're doing a little product mix changes in this business as well, which will in turn give us a higher margin going forward.

Aukool: Understood, sir. Got it. And lastly, one last question on the railway side, how do you see it becoming, like, will it be a meaningful contributor going forward in the next five to six-odd years or what it will be going forward?

Rahul Kejriwal: Yes. We're seeing at least over the next three to four years, this touching itself about INR150 crores of revenue.

Aukool: Okay. Got it, sir. Yes. That's it from my side. Thank you so much.

Moderator: Thank you. As there are no further questions, I would now like to hand the conference over to management for closing comments. Over to you, sir.

Rahul Kejriwal: So thank you everyone for joining this call, and I hope I have been able to answer most of the questions, I've tried to be most accurate and most honest in my answers. So with that, I would like to conclude my remarks and we can await for our next con call.

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