



“Remsons Industries Limited Q3 & Nine Months FY '25
Earnings Conference Call”

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 MR. ROHIT DARJI – COMPANY SECRETARY

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

Moderator: Ladies and gentlemen, good day and welcome to the Q3 FY '25 Earnings Conference Call for Remsons Industries Limited, 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 this conference, please signal an operator by pressing "*" and then "0" on your touch tone 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, ma'am.

Saloni Ajmera: Welcome to Remsons Industries Limited Maiden Earnings Call to discuss the Quarter 3 and Nine Months of FY '25 operational and financial performance.

We have on call with us Mr. Rahul Kejriwal – the Whole Time Director; Mr. Amit Srivastava – the CEO; 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", and subsequent to which we will open the floor for Q&A. Thank you and over to you, Rahul.

Rahul Kejriwal: Thank you, Saloni. Good afternoon, morning, evening, everyone, for people who joined from all across the globe. And welcome to the maiden earnings call of Remsons Industries Limited for our Q3 and nine months financial results '25. I hope you have had a chance to review the investor presentation and financial results which are now available on the exchange.

Since this is the first time we are interacting at such a forum, I would like to throw some light on our journey, followed by the strategic updates for nine months FY '25.

Remsons Industries Limited is a pioneer and leading manufacturer of automotive control cables in India. Remsons has a full range of products, and supplies to Two-Wheeler, Three-Wheeler, Four-Wheeler, Commercial Vehicles, Off-Highways, and Locomotives. Apart from control cables, some of the other product products the company manufacturers are gear shifters, flexible shafts, jack kits, winches, pedal boxes, handle assembly, sensors, exterior- interior lighting, and parking brake assembly.

The automotive industry is a dynamic and intricate ecosystem that blends engineering, art and businesses. Success in this demand excellence across product development, manufacturing, supply chain management, branding, marketing, distribution, servicing, pricing and financial management. At Remsons we have established ourselves as a formidable player in auto ancillary market with seven state-of-the-art manufacturing facilities, two in the UK and five in India, serving 20 OEMs, and over 250-plus dealers. This robust foundation positions us strongly as we embark on our next phase of accelerated growth.

Our strategic focus includes diversifying our portfolio with next generation high margin products, expanding into new markets and geographies, and building a portfolio of EV-agnostic solutions. Additionally, we are committed to undertaking strategic acquisitions to enhance our capabilities, all while adhering to an asset-light model to ensure sustainable growth and safeguard our balance sheet. With these initiatives, we aim to stay at the forefront of the auto component domain, driving innovation and long-term value creation.

Let me now take you through significant updates for nine months FY '25 of the Company:

We are delighted to share that we have secured a fourth order from Tata Motors for the suppliers of winches used for spare wheels. Currently, the Company supplies winches to Tata Motors' successful models like Tigor, Altroz, Punch, and this recent order is for the new Tata Nexon CNG model. The total value of all orders of winches introduction in India stands at Rs. 30 crores and it should be executed over the next three years.

In 2020, Remsons Industries Limited acquired Magal Cables in the UK, who was one of our existing clients, which allowed us to expand our product portfolio by including winches, jacks and pedal boxes. This acquisition has enabled us to introduce global technology to our Indian operators, having advanced solution to our customers. The order from Tata Motors reflects the synergy and our commitment to delivering high quality innovative products.

During the year, we also entered into a 50:50 joint venture with Daiichi Infotainment Systems Private Limited to form Daiichi Remsons Electronics Private Limited for electronic goods in the mobility sector like infotainment systems, HD cameras, speakers, antennas and ADAS.

This year, we also incorporated a new Company, Remsons-Uni Autonics Private Limited, and acquired automotive sensor business of Uni Automation via slump sale to address global market requirements for sensors and products with embedded sensors in the mobility sector. RUAPL has also recently secured the LOI for supply of sensors worth Rs. 30 crores executed over a period of three years.

Last October, we also acquired 51% stake in BEE Lighting Limited in the UK for Rs. 32.84 crores. BEE Lighting is renowned for its specialization in automotive head lamps, rear lamps, and various external and internal lighting solutions, with a strong focus on innovation, including LED and adaptive driving beam, ADB systems. We boast a growing portfolio of prestigious clients in the luxury, super, hyper car, and electric vehicle sectors, including renowned names like Aston Martin, Mercedes AMG, Lamborghini, Ford GT and Jaguar. This acquisition was fully funded via our internal accrued, and via Pref raise.

During the year, Remsons Industries Limited was honored with the gold medal in the EcoVadis Sustainability Assessment. This prestigious accolade places us amongst the top 5% of all evaluated companies globally, highlighting our steadfast commitment to environmental, social and governance, ESG excellence.

SISAX, which is a Structured Information Security Assessment Exchange Certification for Information Security Management was awarded to Remsons. This recognition underscores our unwavering dedication to maintain the highest standards of information security, ensuring the confidentiality, integrity and protection of sensitive data for our clients and partners. This recognition underscores our dedication to sustainable practices and our ongoing efforts to create value responsibly while contributing to a greener and more equitable future.

Going forward, we aim to reach a top line of Rs. 900 crores to Rs. 1,000 crores by FY '29, with an EBITDA margin of 10% to 12%. We also anticipate closing FY '25 with a top line of approximately 20% growth on a consolidated basis. Also, FY '26 should be an exciting year for Remsons as revenue numbers would include contributions from the recent acquisition of BEE Lighting the sensor business, and some of the revenues from the tire mobility kit.

We are also further planning to work over for an opportunity with Indian Railways to provide various engineering parts and sensors. In line with our vision of growing through more tech-based products, we are aiming for a bigger acquisition in FY '26. This acquisition would focus on the tech space in a different geography, further expanding Remsons' global footprint.

I now hand over to Mr. Amit Srivastava – the CEO of Remsons Industries, to discuss on the Financial.

Amit Srivastava:

Thank you, Rahul. Good afternoon, good morning and good evening to everyone joining on the call.

As Rahul mentioned, over the years we have built a robust cable business, established loyal customer base with OEMs, diversified our product portfolio across various vehicle categories. We are the only company in our segment which has all the segments covered, Two-Wheeler, Three-Wheeler, Four-Wheeler, Commercial Vehicles, and Off Road. We have successfully navigated industry downturns and multiple occasions, demonstrating resilience and adaptability, while also derisking our business model to ensure sustainable growth and stability.

The Company is strategically positioned to leverage its market leadership, expensive distribution network, ongoing product innovation, substantial capacity investments and digitalization initiatives foreseeing prevailing market opportunities. With the planned Capex of Rs. 100 crores over the next three years, we aim to further fortify our competitive edge and meet growing demand.

Having said that, on the Financial front:

Our revenue from operations for Quarter 3 FY '25 stood at Rs. 103 crores, EBITDA stood at Rs. 12.5 crores, a growth of 48% on a year-on-year basis with an EBIT margin of 12%. PAT of Rs. 4 crores was reported in quarter, registering a growth of 17% year-on-year basis, with PAT margin of 4%.

For Nine Months FY '25:

Revenue from operations stood at Rs. 270 crores, EBITDA stood at Rs. 26 crores, a growth of 14% on a year-on-year basis, with EBITDA margin of 10%. PAT of Rs. 9.8 crores was reported with a growth of 19% on year-on-year basis with PAT margin of 4%.

As we look ahead, our dedication to excellence and growth remains resolute. We will continue to prioritize customer satisfaction and innovation while exploring new avenues for expansion and diversification, both at home and abroad. With favorable market conditions and supportive government policies, we anticipate substantial value creation for our stakeholders.

Now, we open the floor for question-and-answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. We have the first question from the line of Aditya Sen from Robo Capital. Please go ahead.

Aditya Sen: Hi, thank you for the opportunity. Sir, can you please throw some more light on how are we going to achieve our aspirational revenue target of Rs. 900 crores by FY '29? And also, how are we going to fund the Capex of Rs. 100 crores per year?

Rahul Kejriwal: So, I think we have a pretty robust plan in place to achieve the growth of Rs. 900 crores to Rs. 1,000 crores by FY '29. We have made some acquisitions, the full length and breadth of the revenues should start flowing in starting from this year, into going more so stronger into '26-'27. And as we mentioned in our call, we shall be doing another acquisition, which will also boost the top line. So, between the organic growth, recent acquisitions and furthermore expansion, we are confident of hitting the Rs. 900 crores to Rs. 1,000 crores growth by the year FY '29. And the funding of the Capex and the funding of the acquisition shall be through a combination of pref raise or equity raise and warrants.

Aditya Sen: Alright. And how much revenue will the two acquisitions bring in FY '26, any color on that part?

Rahul Kejriwal: Yes. The acquisitions would be giving in right now about 15% revenue in FY '26, and from there it will grow multifold.

Aditya Sen: Okay, alright. And until when will the new acquisition, one more acquisition that we were talking about, will be completed?

Rahul Kejriwal: So, right now it's very early stages. We are looking somewhere FY '26-'27 for the next acquisition.

Aditya Sen: All right. I will fall back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Amresh Kumar from Geosphere Capital. Please go ahead.

Amresh Kumar: Thank you so much. I was trying to understand what is the mix of our cable versus non-cable business currently, and how do we see it going forward?

- Rahul Kejriwal:** So, your question was on the cables?
- Amresh Kumar:** Cables versus non-cable revenue mix, sir.
- Rahul Kejriwal:** Sorry, can you come again?
- Amresh Kumar:** I said, what is the mix of the cable in our overall revenue pie?
- Rahul Kejriwal:** Okay. Well, cables will form currently about, if I give you next year's figures, this will form about something like 60% of the overall revenue pie.
- Amresh Kumar:** Okay. Obviously, the idea is to bring it down, right, because the kind of investment that we are doing is more into other areas, correct?
- Rahul Kejriwal:** So, we have done investment and acquisitions, but we are continuing to do investment into our organic growth through internal accruals also. So, a lot of the new businesses for organic growth we have done, and the investments are done through internal accruals.
- Amresh Kumar:** I understand that. So, this Rs. 100 crores Capex that we are talking about in the next few years, is it largely going to be cable or non-cable?
- Rahul Kejriwal:** Is it likely to be?
- Amresh Kumar:** In cable business or non-cable business?
- Moderator:** Amresh, sorry to interrupt.
- Amresh Kumar:** Yes. Let me come back in the queue. Thank you.
- Moderator:** Sure, thank you. We have the next question from the line of Rishi Kothari from PiSquare Investments. Please go ahead.
- Rishi Kothari:** Hello. Thank you so much for the opportunity. And congratulations on a good set of numbers. Sir, I had few questions regarding the acquisitions that we have already done. So, do we have any multiple as to what validation did we acquire these companies, different let's say BEE Lighting and all that companies, do we have any ballpark valuation figures?
- Rahul Kejriwal:** Yes. So, I think each acquisition was on a different multiple level, and that was not just a factor of a multiple but also the opportunity, and the time to market scenario for the acquisitions. I think on the BEE Lighting; the multiple is of about between 4x and 5x multiple. And for the sensor Company it is about close to 7x multiple.
- Rishi Kothari:** This is based on EV EBITDA, right?
- Rahul Kejriwal:** Based on EV EBITDA

Moderator: Yes. Rishi, do you have any further questions?

Rishi Kothari: Yes, these are the two acquisitions that we did and that's the multiple that we have, right?

Rahul Kejriwal: Correct, the projected multiple, EBITDA.

Rishi Kothari: Okay, projected multiple EBITDA. Okay. I just probably missed that conversation, for the future growth rate the funding would be from internal accruals as well as debt, right?

Rahul Kejriwal: No, it will be mostly through some raise from the market warrants and internal accruals.

Rishi Kothari: Okay. Great. I will join back the queue. Thank you so much.

Moderator: Thank you. We have the next question from the line of Senthil Manikandan from iThought PMS. Please go ahead.

Senthil Manikandan: Good afternoon, sir. Sir, just starting with the control cables. As of nine months FY '25, what would be the share of control cables in the revenue?

Amit Srivastava: 70% around it will be.

Senthil Manikandan: Sorry sir, 80%?

Amit Srivastava: 70%.

Senthil Manikandan: Okay. Sir, since we have been like pioneers in control cables in the domestic market, if you can share some details about what's our market share and how the domestic market growth has been? And with respect to OEM presence, how are we?

Amit Srivastava: See, segment wise our presence is with all leading OEMs. In Two-Wheeler the market leader is Hero, we are already present there. We supply global leaders, Ford, they are our main customers. In commercial vehicles, we supply to Ashok Leyland and Tata Motors, they are our major customers. In farm segment we supply for last 50 years with a very high percentage of share of business with Mahindra. We are present with all leading OEMs, and we are growing with exports also, like we added customers Stanley Black & Decker for US, which will be a potential customer for us.

Senthil Manikandan: Okay, sir. What has been the growth in the domestic market in control cables, is it in line with the overall auto industry growth?

Amit Srivastava: Yes, it is a completely derived amount out of auto OEM sales. As the OEMs are growing, in the same way the cable sales are also increasing.

Senthil Manikandan: Off lately we are seeing a lot of control cables being replaced by electronics thing.

- Amit Srivastava:** As of now the penetration of electronics in Two-Wheeler is around 6.5%, and if you talk about on total population of Four-Wheelers, the penetration is around 7.5%, which is a long way to go because lot of complexity in implementing electric vehicle from the infrastructure point of view. That way we do not see any threat in the near future.
- Senthil Manikandan:** Okay sir. So, another question is that sir we are seeing like recently one OEM also introduced brake by wire technology, so replacing the control push cables with the electronics kind of thing. So, if you can share some insights in terms of relevancy of control cables in upcoming vehicle launches, some thoughts on that.
- Rahul Kejriwal:** See, the control cables in a vehicle are not like what used to be like a functional cable. There is no cable for breaking actually. The brake cable is by the handle, the parking brake lever which uses the brake cable. So, if you see the car, the hood cable, the boot opening cable, the fuel flap cable, the door cable, window regulator, all the pull cables are still, whether it's EV or non-EV, they are still there. Whether you open a cable for fuel or a charge port, pull cables are still there. So, cables are continuing to grow with the number of cars growing. The nomenclature of the cables is changing. Certain cables are getting added because of more complexities regarding the vehicle. And some of the cables are moving away. So, on a mixed bag growth, we say, still the portfolio retentionment of cables is around 80% in the auto sector.
- Senthil Manikandan:** Got it, sir. And currently how are our exports as a percentage of the control cables? And what has been the growth over there?
- Rahul Kejriwal:** Out of our total business, almost 35% is export, and it will be growing 40% in times to come.
- Senthil Manikandan:** Will it be led by control cables or the new diversification that we are doing?
- Rahul Kejriwal:** We are talking about total business pie. If we break it into exports and domestic, it will be around 40%. And 90% is cable out of it.
- Senthil Manikandan:** Okay, got it. Thank you, sir. I will fall back in the queue.
- Moderator:** Thank you. The next question is from the line of Garima Singhal from CRISIL. Please go ahead.
- Garima Singhal:** Yes. So, I wanted to know about the guidance for the next quarter and for the FY '25.
- Rahul Kejriwal:** You want to know what about the next quarter in FY '25?
- Garima Singhal:** Guidance, outlook for the quarter, next quarter and for FY '25.
- Amit Srivastava:** See, revenue we are targeting around Rs. 100 crores in the next quarter. And the PAT will be around 5% increase over last year, excluding the exceptional and adjustments. And overall, on a yearly basis, the PAT growth will be 43% to 45% of what we are targeting, leaving the exceptional items for last year. Operating PAT will be 40% to 45%. And revenue growth will be 20%, which is what we are targeting.

- Garima Singhal:** Understood. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Satyam from Profitmart Securities. Please go ahead.
- Satyam Badera:** Congratulation on great set of numbers. I have a couple of questions. As this is a third-generation leadership at Remsons, where do we see our Company growing maybe in the next 5 to 10 years? Can we see the Company as big as Motherson soon? And another question is, what are your views on the automobile industry in India? And where is it poised to go? And from where the next leg of growth is coming from.
- Amit Shrivastava:** See, as you all know that automotive industry, especially when we talk about automotive industry, the first thing comes car picture in our mind. And already, India has reached to the third position. We have already overtaken Germany and Japan markets, and in a very dominant position. More and more investments are coming, and more and more companies are starting the business here. That way, we can see it's very promising to see the automotive industry going forward.
- And coming back to whether we will be as big as Motherson. You can see the way organically and inorganically the company is poised to grow. If we talk about last five years, almost three years were lost because of COVID, despite of all those COVID period we have been growing with a CAGR of double digit and higher double digit, close to 20%. And we will be growing at the same rate. And with this inorganic growth there are multi-dimensional businesses from different geographies will be definitely adding to our basket and we will be growing multi folds.
- Satyam Badera:** Okay. Thank you.
- Moderator:** Thank you. The next question is from the line of Yash Shah from ULJK Financial Services. Please go ahead.
- Yash Shah:** Thank you for the opportunity. One question I have is on the commercial vehicle space. Since we are looking at targeting the heavy truck segment, do we see any major slowdowns over there? Because there was a slowdown in the last two to three quarters, what is the outlook in that segment?
- Amit Shrivastava:** See, as you know, historically we were not present in heavy commercial vehicles, and we have started our ventures in heavy commercial from this year. For us, there is no degrowth, it is always a growth from us, and we are already getting momentum because we have started making heavy duty cables and also the gear shift mechanism which we were not doing earlier. So, whatever business we grab, and we are substituting existing players, we are for sure that for us there is no degrowth. On the contrary, we will be gaining out of it in domestic market as well as in export market.
- Yash Shah:** Okay, great. Another question I have is on another product, the tire mobility kit, the JV with Aircom. So, do we have any major developments in that, any new orders for that particular product?

- Amit Shrivastava:** See, our products are already in testing with OEMs, and we are hoping that within three to four months this testing should get completed, then we will be in the business award phase. The engagement with OEMs is very promising and they have shown a lot of interest because our JV partner is a market leader not only in Europe but also worldwide. In Europe, they have a very high market share, and worldwide also they are number one in terms of tire mobility kit with a proven track record with all the major OEMs. So, we are very confident it will help us propel our growth in the domestic market as well.
- Yash Shah:** Alright. And one last question I have is on the export and domestic mix, how do we see that mix going forward?
- Amit Shrivastava:** You already mentioned that as of now it is 35% and it will grow to 40% next year.
- Yash Shah:** Alright. Thank you so much.
- Moderator:** Thank you. The next question is from the line of Rishi Kothari from PiSquare Investments. Please go ahead.
- Rishi Kothari:** Hello. Yes. Thanks so much for providing opportunity again. However, I had a question regarding the top line growth. Acquisition part that we are looking at for the Company, if we remove that, what type of topline growth are we looking for, organically?
- Amit Shrivastava:** See, so far whatever growth is coming, you can see other than these six months, it was only organic, and we have been sustaining a growth of 25%.
- Rishi Kothari:** Organic basis?
- Amit Shrivastava:** We will be continuing high double you can say, that is what we are looking.
- Rishi Kothari:** Okay. And on the question that I asked before this, on the acquisition activity, we acquired BEE Lighting at 4x to 5x EVEBITDA, so just based on the current financial statements of EVEBITDA or was this the next four years of acquisition?
- Rahul Kejriwal :** It was on the projected EV EBITDA.
- Moderator:** So, this year EV EBITDA --
- Amit Shrivastava:** Sorry, can you come again?
- Moderator:** Rishi, before you ask, let me remind you that your line is not very clear. I request you to please move to an area with a better network.
- Rishi Kothari:** I was asking, the BEE lighting and the Uni Autronics. So, BEE Lighting we have acquired around 4x to 5x of EV EBITDA, so this was based on projections of which year exactly we acquired this Company?

- Amit Shrivastava:** This is based on the future projection of '26-'27.
- Rishi Kothari:** Okay. And for Uni Autonics that's also the same?
- Rahul Kejriwal:** Yes, Uni Autonics is also the same, it was based on next future three years' projection.
- Rishi Kothari:** Got it. Okay, thanks. I will join back the queue.
- Moderator:** Thank you. The next question is from the line of Anurag Agrawal from Multifly Wealth. Please go ahead.
- Anurag Agarwal:** Hi. I just had one question. I missed the Capex number that you had mentioned earlier, what was that?
- Rahul Kejriwal:** Which number?
- Anurag Agarwal:** The Capex, the investments that we are going to put for capacity expansion.
- Rahul Kejriwal:** Okay, Capex. So, when I say expansion, we were talking about organic, inorganic expansion, so the entire Capex inclusive of acquisition and all would be about say Rs. 100 crores.
- Anurag Agarwal:** Rs. 100 crores within what period of time?
- Rahul Kejriwal:** Four years.
- Anurag Agarwal:** Four years, Okay. Got it. That's it. Thank you.
- Moderator:** Thank you. We have the next question from the line of Ayush from Sole Practice. Please go ahead.
- Ayush:** Good afternoon. Thank you for your opportunity. Sir, I wanted to know your plan of action for Remsons Green, as was mentioned in the PPT.
- Rahul Kejriwal:** So, we are looking at various avenues over there. I think in a couple of months' time we should hear some announcements related to that. Since right now its in the deligence process and everything, we would not be able to reveal too much at this point of time.
- Ayush:** Okay, sir. And regarding our acquisition of BEE Lighting, when will we see the numbers coming in for BEE Lighting?
- Rahul Kejriwal:** So, it's an ongoing business, so the revenues have already started coming in. We have had a small 3rd Quarter numbers come in. And from this quarter onwards the numbers would consistently be coming in.
- Ayush:** Okay, sir. That's it from my side. Thank you so much.

Moderator: Thank you. The next question is from the line of Nitin Gandhi from Inoquest Advisors Private Limited. Please go ahead.

Nitin Gandhi: Thank you very much for taking my question. I would just like to know, for existing plants and the acquisitions which you have done in recent past, what is the maximum revenue potential there? And linked to this Rs. 100 crores expansion over four years, what is likely to be the asset turnover?

Rahul Kejriwal: Like we said that our end target goal is to reach Rs. 900 crores to Rs. 1,000 crores within FY '29, which includes all the acquisitions, the Capex and everything put together.

Nitin Gandhi: No, that I understand. Between today, what is the maximum potential to the Rs. 1,000 crores. Is there any game there I was trying to? So, if you can give me potential maximum revenue for each of these acquisitions and existing, it will be more helpful.

Rahul Kejriwal: Okay. So, yes, it's very simple, like the lighting business could get us anywhere from between Rs. 150 crores to Rs. 200 crores of revenue. The sensor business could get us about Rs. 100 crores of revenue. And we are looking for a potential new acquisition also which we are hoping to get us about Rs. 200 crores of revenue. Plus, through our joint ventures Aircom and Daiichi, we should be targeting at least Rs. 100 crores to Rs. 150 crores of revenue in the next four years' time.

Nitin Gandhi: Yep, thanks. And secondly, I think you shared some numbers for Q4 and going forward guidance, you can repeat that, I just missed them. I understand that going forward the double-digit revenue guidance is possible, but for Q4 you also commented somebody, so if can share, repeat again? Sorry for that.

Amit Shrivastava: The fourth quarter the revenue targeted is Rs. 100 crores and PAT will be 5% increase over operating PAT last year moving exceptional item adjustment. In a nutshell, the revenue growth we are targeting 20% over last year, and PAT growth excluding exceptional items will be in the range of 40% to 45%.

Nitin Gandhi: Thank you very much.

Moderator: Thank you. We have the next question from the line of Aditya Sen from Robo Capital. Go ahead.

Aditya Sen: Hi. Thanks again. Sir, can you please share the Q3 or rather Q2 revenue of BEE Lighting and Uni Automation?

Rahul Kejriwal: So, we have just acquired them as of now, and we are doing the analysis. So, I think that kind of break up I would not like to present at this point of time, maybe at a later stage we will have a better breakup available for discussion.

Aditya Sen: That works. Thank you.

- Moderator:** Thank you. The next question is from the line of Senthil Manikandan from iThought PMS. Please go ahead.
- Senthil Manikandan:** Thank you, sir, again, for the opportunity. Sir, coming back on control cables, if you can share some insights on our market position within the domestic Two-Wheeler space or passenger vehicle, what is the market share?
- Amit Shrivastava:** We have one of the highest vehicles which are sold by Hero, and we are a lead supplier with them, we are one of the two major suppliers in Hero Moto. And if you are talking about a strict aftermarket, it will be around 15% of our business. And if you talk about total split on the Company level, it is around 12%, and 88% is OEM business.
- Senthil Manikandan:** Sir, in terms of OEM relationship, so are we sole supplier to any OEM or how that structure works?
- Amit Shrivastava:** See, as these products are engineering products and it requires many a time dedicated tool manufacturing, so it depends on a case-to-case basis. Many of the places we are single source, many of the places we are having dual sourcing. Depending upon the OEM, their strategy, their size of particular program, these are the factors which decide whether it will be a single source or a dual source. But answering your question, many places we are single source supplier.
- Senthil Manikandan:** Got it, sir. The last question, how are we played with respect to the EV OEMs, like Ather, Ola, how are we placed with them on the cable side?
- Amit Shrivastava:** See, Two-Wheelers sales, given these penetration as of now, if we talk about in Indian market is, as I mentioned earlier, is around 6.5% as of now of the total vehicle population. And even if they are migrating to EV, there are certain cables which are still retained with that, any threat or something in possible future or conversion to EV.
- Senthil Manikandan:** Okay. Thanks for the opportunity.
- Moderator:** Thank you, participants. The next question is from the line of Nidhi Jain, an individual investor. Please go ahead.
- Nidhi Jain:** Hi, thanks for the opportunity. And congratulations on a great set of numbers. I just wanted to understand how sustainable these numbers are. And especially the margins, we have been doing quite well in terms of the margins, so how sustainable do you think these numbers are going forward?
- Amit Shrivastava:** As we know, with our experience that when we are doing exports, they are more profitable. And you can see that we are continuously focusing on enlarging our basket for the export market, like presently 35% we are planning to go to 40% in export overall in all businesses. Secondly, we are adding new products which are higher in profitability, like heavy commercial vehicles or you can say the new generation futuristic products like tire mobility kit, electronics or sensors, lighting. These are in priority, if you see, they are better profitable products because as we move

up in technological products, definitely they will give us a better margin. So, that is how we are very confident that moving forward is going to improve.

Nidhi Jain: Thanks a lot.

Moderator: Thank you. We have no further questions. Ladies and gentlemen, I would now like to hand the conference over to Ms. Saloni Ajmera for closing comments. Over to you, ma'am.

Saloni Ajmera: Thank you each and every one for joining us today. We wish you a great day ahead. Should you have any further queries, feel free to reach out to Remsons or Go India advisors. Thank you, everyone.

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