



# RACL Geartech Ltd.

Corporate Office

B-9, Sector-3, Noida, Uttar Pradesh-201301, INDIA

Phone: +91-120-4588500 Fax: +91-120-4588513

Web: [www.raclgeartech.com](http://www.raclgeartech.com) E-mail: [info@raclgeartech.com](mailto:info@raclgeartech.com)

Date: June 12, 2025

**The National Stock Exchange of India Limited**  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East), Mumbai- 400 051  
Symbol: RACLGear

**The Bombay Stock Exchange Limited (BSE)**  
25th Floor, Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai-400 001  
Scrip Code: 520073

**Subject: Investor Conference Call Transcript**

Dear Sir/Madam,

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable Regulations, please find enclosed herewith the Transcript of Analysts/Investor Earnings Conference Call which was held on Friday, June 6, 2025 at 04:00 P.M. (IST) to discuss the Company's Q4 & FY 24-25 earnings.

The aforesaid information shall also be made available on the website of the Company at [www.raclgeartech.com](http://www.raclgeartech.com).

You are requested to take note of the above and oblige.

Thanking You,

**For RACL Geartech Limited**

**Neha Bahal**  
Company Secretary and Compliance Officer

Registered Office

15th Floor, Eros Corporate Tower, Nehru Place, New Delhi-110019, INDIA

Phone: +91-11-66155129

CIN: L34300DL1983PLC016136

D-U-N-S Number: 65-013-7086



TS 16949 : 2009  
TS 518901 - 000



# **RACL GEARTECH LIMITED**

**Q4 FY 2024-25 EARNINGS CONFERENCE CALL**

**06<sup>TH</sup> JUNE, 2025**

## **MANAGEMENT:**

**MR. GURSHARAN SINGH - CHAIRMAN & MANAGING DIRECTOR**

**MR. JITENDER JAIN- CHIEF FINANCIAL OFFICER**

**MR. PRABH MEHAR SINGH- VICE PRESIDENT, FINANCE & BUSINESS  
EXCELLENCE**

**MS. NEHA BAHAL- COMPANY SECRETARY & COMPLIANCE OFFICER**

<p><b>Ms. Neha Bahal</b></p>	<p>I am Neha Bahal, Company Secretary and Compliance Officer of RACL Geartech Limited. On behalf of the company, I would like to extend a warm welcome to all of you to this post-results conference call for the fourth quarter and the financial year 2024-25. I will be your moderator for today's session.</p> <p>Before we begin, I would like to make a few important announcements. Please note that this conference call may include forward-looking statements based on the company's current beliefs, opinions, and expectations. These statements are not a guarantee of future performance and are subject to various risks and uncertainties, which may cause actual results to differ.</p> <p>Additionally, all participant lines will be on mute during the presentation, and we will have a Q&amp;A session at the end of the presentation, where you can ask any questions you may have. If you need any assistance during the call, you can submit your questions via the Q&amp;A box or raise your hand, as per the available options on the screen, and we will assist you accordingly.</p> <p>Please be informed that this call is being recorded.</p> <p>We are pleased to be joined today by the management team of RACL Geartech Limited, represented by:</p> <ul style="list-style-type: none"> <li>• Mr. Gursharan Singh, Chairman &amp; Managing Director</li> <li>• Mr. Jitender Jain, Chief Financial Officer</li> <li>• Mr. Prabh Mehar Singh, Vice President - Finance &amp; Business Excellence</li> </ul> <p>With that, I now invite Mr. Gursharan Singh for his opening remarks. Over to you, Sir.</p>
<p><b>Mr. Gursharan Singh</b></p>	<p>Hello friends, good afternoon. First of all, we're sorry that this time the call was delayed as compare to our general schedules being held earlier, reason was closed on annual accounts and many other issues related with the preferential outgoing. But it is better to be late than never. So, I welcome you all and I know that this time there are many participants attending this call so it really shows the continued trust and confidence of all of our investor's fraternity into the Company management and operations of RACL. So, we're very, very glad to be associated with you. Before we start our interactions. We will start with presentation. I would only say that we are actually on the right track and something really on the part of growth once again last year was a bit flattish because of the global scenarios, but yes, now things are really looking up and during the course of discussions and deliberations today, we'll be able to throw more. Light on how things are looking up in the future. Thank you once again for</p>

	<p>joining this call and I'll hand it over now to JJ and Prabh for taking over the presentation then after that we can deliberate to our QA discussion and I take the opportunity to welcome all of you once again to this quarterly discussion and interaction with all of you. Thank you. Over to JJ and Prabh.</p>
<p><b>Mr. Jitender Jain</b></p>	<p>Good afternoon everyone. This is Jitender Jain, the CFO of the Company. A warm welcome to everyone, so I'll come to the presentation part first and then we'll take up the questions further.</p> <p>Yeah, so this is the snapshot of your company. We are a 1983 established company. FY25, we achieved clogged turnover of 4.27 billion, close to \$50 million. We have 811 employees. Our product applications are across all the segments, whether it's two Wheelers, 3 Wheelers, passenger cars, commercial trucks, agricultural equipment and all.</p> <p>Our corporate offices headquartered at Noida. We have two manufacturing locations. One is at Gajraula, another is at Noida and we have 3 warehouses in Europe. Our product range stands across transmission gears and shafts subassemblies, machine parts, industrial gears and chassis parts. We are A-credit rating by care. We are listed on both the stock exchanges of India and we have one subsidiary based at Austria. Our core competencies lie in all the position manufacturing, machining, aluminium, machining there, cutting across all this framework which you can think of only in the automobile components.</p> <p>We have all these certifications which one manufacturing entity requires including ISO, Tisax and other.</p> <p>We want to introduce our Board of Directors. So, we have a seasoned team of board of directors. Mr. Gursharan Singh, he's the Chairman and Managing Director of the company. Mr Singh is a diploma holder in mechanical engineering with PGT in export management. Sir has been serving RACL for more than 32 years now and is actively involved in the various stages of growth of RACL. He is the Chairman and Managing Director of the company and managing the overall operations of the company.</p> <p>Coming to our Executive Non-Independent Directors.</p> <p>First is Mr Anil Sharma. So, Mr. Anil Sharma, he is an engineering graduate BE (Electrical) from the University of Roorkee and having post graduate diploma in management from All India Management Association, New Delhi.</p> <p>He has retired as General Manager of PICUP, a State Level Industrial and Development Corporation. He has a wide experience of more than 37 years of project development, implementation and follow up in different segments of industry particularly in the automotive components and telecommunication sectors.</p> <p>And this is another Executive Non-Independent Director, Mrs. Narinder Paul Kaur. So, she's done a Bachelor of Science from Kurukshetra University and Master of Arts from Punjab University. Mrs Kaur is looking</p>

after the functioning of Noida plant of the company since 2011. So, these are the two Executive Non-Independent directors of our board and coming to the Non-Executive Independent Directors, Mr. Jagdish Keswani.

Mr. Keswani is MBA marketing from FMS daily in 1988 and BE Hons. (Mechanical) from NIT, Kurukshetra. These are strategic planner implementer with an experience of over 39 years. He has worked in quality operations, new project management and vendor development functions with Escorts Yamaha Motorcycles.

Subsequently, he headed the business development function for TVS-Sundaram Fasteners Ltd. He also established a business operation of a German MNC at Gurgaon as Managing Director.

Next is, Mrs. Malini Bansal, Mrs. Bansal is a certified associate of Indian Institute of Bankers and has a master's in education. She's retired as a chief general manager at IDBI Bank Limited.

Mrs. Bansal worked for over 34 years in project finance, government banking, stress asset financing and wholesale and retail banking. She demonstrates a deep understanding of development, financing, banking principles and practises. She's also an arbitrator's panel of NSE and BSE, and has handled over 40 arbitration proceedings.

Mr. Shashank is an inspiring leader in the Indian automobile circuit for last 45 years, having graduated as a mechanical engineer.

He has introduced many new models in the auto industry and having widely interacted with multiple global clients and organisations.

During his career, he's associated with several leading automotive companies including Tata Motors, Hindustan Motors and Eicher Motors. He later served as a CEO of Asia Motor Works in Mumbai. Lastly, he held the position of Executive director at PIAGIO vehicles.

Last but not the least, Brig. Harinderpal Singh Bedi. Brig. Bedi is a Senior Army Veteran with 10 years of experience as a corporate professional. He has been associated with some prestigious projects and ventures along with being a CSR Enthusiast. Brig. Bedi is a Graduate from the Defence Services Staff College, Wellington and Master of Defence Studies from the Madras University with distinction along with Masters in Management Studies from the Osmania University, Secunderabad.

Coming to the financial performance. So, FY 24-25, we clogged the turnover of 427.29 crores out of which, export turnover was close to 291 crores and domestic turnover was close to 93 crores. The other operating income was 33.43 crores and other non-operating income was close to about 10 crores. This is a brief break up of the business share and the product distribution. So out of the total distribution, the export business contributed about 68%

of the turnover this year and domestic was about 32% out of the total turnover. We are catering to European customers. Our 56% of our turnover was towards European customers and 42% was in India and Asia Pacific region was very miniscule was 2%. Coming to the breakup of segment wise breakup, so as we have been indicated in the last two years and all so this year our two-Wheeler segment was about 39%, Commercial vehicles has grown to 18%. Now passenger car vehicle business is around 14%. But I just want to clarify here that this passenger car vehicle 14% out of this 9% was in the EV segment and the next is the recreational vehicles, which is ATV and RTV, which is about 13%. Then, for closely following is tractor and agriculture business, which is about 11% and then industrial and other three-Wheeler businesses 3% & 2%.

Now coming to the quarterly financial performance, Q4- FY24-25, we clogged at over 106.03 crores as compared to 114.92 crores same quarter last year, which is a drop of about 7.7% at EBITDA level.

We have been able to clogged almost a similar EBITDA 24.05 crores of EBITDA in Q4 of FY 2425 as compared to 24.45 crores last year last quarter which is a drop of about 1.6%, but at the PBT level we clogged up PBT of 8.95 crores in Q4 of 24-25 as compared to 11.53 crores in Q4 of FY 2324, which is a drop of 16.87%.

Coming to the full year performance. So, YOY FY2425, we clogged our turnover of 427.29 crores as compared to 423.04 crores. So, which is a growth of 1%.

We clogged a bit of 93.74 crores as compared to 101.90 crores in FY 2324, which is a drop of 8.02% and at PBT level, we clogged the PBT of 34.37 crores as compared to 53.74 crores in FY 2324, which is a drop of about 36%.

So, these are the ratios. Basically, current ratio is from 1.09 to 1.05. That equity has improved a bit from 1.37 to 1.29 interest coverage from 4.31 to 3.18, fixed asset turnover improved significantly from 1.39 to 1.33 total asset. Two debt is about 2.06 to 2.15. DSCR because of low profitability a bit from 1.14 to 1.09 and that will be tough on 2.76 to 3.14. We have been able to generate cash from operations, so that is cash from operations of about 63.96 crores as compared to 26.73 crores in FY 2324, which is a growth of almost 140%.

Coming to the debt exposure, so as I've been indicated last time, so our total debt has increased from 281 crores in totality to 294 crores as we had guided last time. Our long-term debt has come down from 105 crores to 85 crores and our short-term debt has increased from 176 crores to 209 crores. I just want to clarify the short-term debt also includes current portion of long-term debt (CPLTD) of the current year. So, in totality, the total debt has increased from 281 crores to 294 crores. I want to highlight here that our total addition to fixed assets in FY 24-25 was close to 54.31 crores, but our

debt has increased by only 4.4% as we have guided earlier, gross margins 71.09% as compared to 71.06% FY 23-24 EBITDA margins. We have clogged close to 22% as compared to 24% in our FY 23-24. PBT margins of 8.04% as compared to 12.7% and pad net profit of 5.99% close to 6% as compared to 9.41% of FY 23-24. Return on capital employed from 11.57 to 21.12. So, this is a brief snapshot of all the ratios for financial year 24-25 as compared to financial year 23-24.

Coming to the profitability comparison as so this we have been introducing this slide for last few quarters. So as you can see our profitability EBITA margins, we have been able to sustain close to 21 to 22% quarter on quarter. As we have maintained in our last few calls but FY 24-25, we would tell margins was close to 22% as compared to 24% of FY 23-24. But if I talk about the breakup broadly, breakup of this from Q4 of Q4 of 23-24, our raw material consumption, it has reduced by 2.18% because we have been able to get the benefit of steam price reduction and at a whole year full year level, the consumption of raw material is almost at a similar level as we have indicated in our last few calls, our employee benefit expenses, finance cost and depreciation have increased. The percentages are there as in line with the projected turnover which we were projecting for FY 24-25. I want to highlight on the manufacturing expenses side as we have indicated last time that we have been working on the cost reduction on the power side and other components of manufacturing expenses. So, from Q4 of 23-24 and if I compare Q4 of 24-25, our overall manufacturing expenses have come down to almost 3% and at a full year level, they are almost at a similar level, but now from Q4 of 24-25, the reduction will be visible. Our total administration selling and other expenses have gone up by 22.68% as compared to Q4 of 23-24 whereas at a full year level they have increased by 1.23%. So that's a breakup of the profitability comparison component.

Coming to the business updates. So, as we have as you all are aware, the company has done a fundraising through preferential allotment of equity shares.

So I just want to apprise everyone. So, Company has issued 10,06,480 equity shares to QIBs and Non- QIB under non-promoter category. The Company has raised an overall fresh capital of 79.99 crores, which has been infused in the Company through preferential allotment. I'm very proud to share that three marquee investors and Investor Group of India has invested has shown their trust and they have invested in RACL Geartech. And I just want to apprise everyone that the entire proceeds of the preferential allotment after meeting the general corporate expenses will be utilised to reduce both the long term and short-term borrowings of the Company.

I'll come to the brief profile of investors.

So as most of you will be aware of the first investor who has invested in our in your company is Malabar India Fund Limited. Malabar India is a \$1 billion plus investment fund. They have been investing in small and mid-sized companies of India since August 2008. Their average holding period historical has been close to seven years. Malabar has a team of more 14 professional and with over 100 years of combined investment experience, they have a concentrated portfolio of the companies with high return ratios, strong cash flows, robust balance sheets and competent management teams.

Other two investors are India Account Fund Limited and Ashoka India Equity Investment Trust Plc. Both these funds are part of White Oak Capital Group. White Oak is an investment management advisory firm established by Mr Prashant Khemka in June 2017, Mr. Prashant was formally the CIO of Goldman Sachs Asset Management, India Equity and Global Emerging Markets equity businesses. White Oak group has operations across India, Singapore, Mauritius, UK and Switzerland.

White Oak has attracted among the largest portfolio investment inflows into India. The last three years White Oak collectively entered group entities. They collectively have assets under management of 8.6 billion U.S. dollar or 73,630 crores Indian rupees as of March 2025 and their global client base includes sovereign wealth funds, pension plans and government, Individual and family offices of through a combination of separately managed accounts and investment funds.

The third Non QIB investors, Dr. Aniruddha Malpani.

Dr. Aniruddha Malpani is an IVF specialist and the founder of Angel Investment Fund Malpani Ventures, which invest in early stage start-ups. Malpani Ventures is a sector agnostic Angel investment firm funding frugal innovation in India. They partner with founding teams, building great companies. They fund revenue, making companies to help them scale. Their portfolio includes education, healthcare, financial inclusion and software.

Now coming to why we did preferential issue. Rational as we have shared earlier, that company need to invest a reasonable Capex based on the new orders, the new big orders which we have received and all and the kind of RFQs which we are receiving and all the company is required to invest a reasonable Capex into the company in next few years.

And as I've been, we have been indicating earlier and as guided by a few of our investors, the company wanted to reduce our dependence on borrowed funds to achieve the. This reduced dependence on borrowed funds will help companies to have a stronger balance sheet position for the long-term sustainable growth. This divestment will also put a sharper focus on the company to have the discipline capital deployment and value accretive segments.

	<p>The impact is as I have shared earlier, the entire proceeds of the preferential allotment have been utilised to reduce both long term and short-term borrowings of the company after meeting the general corporate expenses. Now this reduction in debt will help the company to achieve the interest cost reduction which will help in enhancing the profitability of the company and which will free up the internal accruals of the company for the reinvestment into the company and it will also strengthen the debt profile and improve the credit matrix for your Company.</p> <p>The way forward, as we have always indicated we want to achieve a long-term strategy, it will help in achieving a long-term strategic objective. We have to do the technological upgradation, backward integration and the planned growth which we have which is there for the projects which are already nominated by the customers. This will help the Company inconsistent and sustainable growth with optimal capital deployment and as indicated earlier, the Company will keep on focusing on product and segmental diversification.</p> <p>One more event which is which has occurred with RACL, so the one of the part of promoter and promoter Group, the Pradeshiya Industrial Investment Corporation of UP limited (PICUP), they have sold 5 lakh equity shares in the open market.</p> <p>So now the revised shareholding pattern post preferential issue and divestment by PICUP Mr. Gursharan Singh and his affiliated parties. Now they have shareholding has reduced from 37.36% to 34.16%. PICUP shareholding has reduced from 13.94% to 8.51%.</p> <p>So total promoter holding has come down from 51.3% to 42.68% and public shareholding has increased from 48.7% to 57.32%.</p>
<p><b>Mr. Gursharan Singh</b></p>	<p>I will add it over there that PICUP being a state government investor. So UP government had a policy to promote industries in the state and by virtue of this, they were investing into the companies and when companies go stable and companies start having good profitability markets so they always have a divestment policy. So, PICUP was actually contemplating to divest their shares for quite some time since now. Eventually, they decided as per government policy to divest from the profit-making company because once the projects are stable, so government mandate is to get out of those industries. So, in a phase manner, they have decided to divest 1/3<sup>rd</sup> of that equity held in RACL, initially it was about 13% &amp; now it's about 8%. Thank you.</p>

<b>Mr. Jitender Jain</b>	<p>Thanks Sir, So the next thing which we have been discussing in last couple of calls is the status of KTM business. So, we have an update on the KTM business though it is there in all the media articles and all. But just wanted to brief everyone on the same.</p> <p>So, Bajaj Auto will acquire majority control of Australian KTM AG through its wholly owned subsidiary Bajaj Auto International Holdings BV. Now BAIHBA has committed to a total investment of €800 million, which is about 7765 Crore through a combination of secured term loans, convertible bonds and shareholders debt. This funding will be used utilised to stabilise the KTM finances and also will also be replaced to support the court approved debt restructuring programme in providing the working capital to KTM. These financial measures will have will help KTM to meet their core deadline of May 23<sup>rd</sup>, 2025, by which time the KTM has to repay 30% of the creditor claims.</p> <p>Now this activation will mark a significant milestone in Bajaj Auto International strategy and it is expected to support KTM financial recovery and business operation. The two companies already collaborate under a joint development programme based in India.</p> <p>Coming to RACL, we have already started receiving a confirmed delivery schedule from KTM AG.</p> <p>After this the production had started at the factory. However, we are still adopting a precautionary approach till the time the KTM is stabilised fully</p> <p>Update on the new projects. <b>Project Titan</b>, as we all are aware of that we have already started the commercial production at a new manufacturing facility “Udyam”. Just wanted to update everyone that more than 2000 sets are already dispatched to the customers under 2 phases. These parts are currently under vehicle validation stage at the customer site and the mass production as of now is on track to be started in August 2026.</p> <p>On <b>Project Venus</b>, as we have declared disclosed earlier, this project is for the supply of drivetrain parts for electrical sports car. To update on the same, we have more than 100 sets have been dispatched to the customer under phase 1. Again, these parts are currently under validation at the customer site and the mass production of this project is also on track to be started in August 2026.</p> <p>The third project, which is the new project which is going on right now is <b>Project Crystal</b>. This project is focused on development and supply of critical components including ring- gear, sun- gears, drive- gears and planetary gears, assemblies for electrical power steering systems in the passenger car segment. This project is to supply steering system tailored to the requirements of a leading American passenger car OEM for their pick-up truck platform. As disclosed earlier, the first prototype was to be</p>
--------------------------	---

	<p>manufactured and offered for assembly and testing in Q2 of QY 2526 from RACL Gajraula plant. So, just wanted to update everyone that this project is on track and the samples are in advance prototyping phase right now.</p> <p>So, these are the updates on all the three new projects which are ongoing right now.</p>
<p><b>Mr. Gursharan Singh</b></p>	<p>So just to add over here, you know as this project Titan and Venus, this is already known to all our friends there for BMW. Project Crystal since it is still not disclosed so but it is one of the big companies. This is a kind of diversification program because this project crystal is for staring components.</p> <p>So technically it is again fuel agnostic, but is a fuel rather, it is a EV or hybrid or hydrogen or anything stirring will remain more or less the same. So it really gives us a very significant progress towards our diversification program. So, this is also a very key milestone in our sales future growth project. Thank you</p>
<p><b>Mr. Jitender Jain</b></p>	<p>On the awards and recognition. I'm happy to share that your company got an award by EEPC India doing a northern region 52nd and 53rd Export Excellence Award. We have been recognized as the start performer. In automobile component product group under Northern Region Export excellence category. We are proud to share that this award was presented to us by Honourable Chief Minister of Delhi Srimati Rekha Gupta. This ceremony was for the grace by Dr. Philip Ackerman, German Ambassador to India and Bhutan and Sri Vimal Anand, Joint Secretary, Department of Commerce, Ministry of Commerce and Industry, Government of India. This recognition is again a testament to our performance and excellent in export segment.</p> <p>Another milestone for your Company is that we conducted a Bhumi Pujan for our new manufacturing facility at Gajraula at on April 30<sup>th</sup>, 2025. This again marks a significant milestone in our growth journey, reflects our commitment to expanding our production capabilities. This facility is being developed as a part of our strategic initiative to enhance manufacturing capacity in anticipation of the future business projects and to better serve our domestic and international markets. This expansion will also enable RACL to meet increasing demands, support new product lines and further strengthen our position in the automotive component industry.</p>

	Thank you everyone and We will now begin with the question answer session.
<b>Ms. Neha Bahal</b>	So, you can unmute and ask questions Mr. Parikshit Gujrati.
<b>Mr. Parikshit Gujrati</b>	Thank you so much for giving the chance, Sir. So, I so I had a few questions. So my first questions is about KTM. So, Bajaj has acquired KTM. So, they will source gears which we are supplying to KTM. So, won't KTM source from Bajaj only or they will still source from us.
<b>Mr. Gursharan Singh</b>	Parikshit, I will answer you first of all, Bajaj was already owning 49% of KTM. It's not that Bajaj is a new totally new entrant, Bajaj was holding KTM 49 equity for last 20 years. So even then, we were all supplier to KTM and this Bajaj has come to rescue. Technically, Bajaj has ensured further funds to make the company strong but you know taking all the company in a different way and doing business with different things, so that is not an issue at all.
<b>Mr. Parikshit Gujrati</b>	Thank you so much for my second question is circulating. A few days ago, we read that Trump is planning a 50% tariff on European countries and our major customer is us only. So, if 50% tariffs are implemented, so there won't be demand scenario be affect from our point of view.
<b>Mr. Gursharan Singh</b>	Probably you also read that state all that tariff drama going on in the US, so eventually as of today everything is put on hold. So, and if anything is happening, it's not going to happen only for RACL. It is going to happen for the entire globe. But lately these kinds of things are more of political in nature, they are not having any real impact on the day-to-day business scenarios. Okay and I said you know, as of today, this decision is already have been put on hold by the US courts.
<b>Mr. Parikshit Gujrati</b>	Thank you so much, Sir. So, Sir, I had just one last question. So, the tractor volume this year gone for Q4FY25 have been 7%. So how are you seeing the demand on the tractor side?
<b>Mr. Gursharan Singh</b>	You know you are right. The tractor volumes are quite good in Q4 and India has this time record kharif crop. So eventually demand should remain stable and it should grow, and eventually we'll also benefited because one of our major customers is Escorts Kubota, so they're showing good forecast and we're having our second major customer. So, they're also showing good forecast. Yes, things are looking good for the agriculture market. It's not only in India, even in European market agriculture, product is showing signs of recovery.
<b>Mr. Parikshit Gujrati</b>	Thank you so much and so just one last question. So, you in previous calls you said that we are confident of achieving 1000 core revenue in 3-4 years' time. So, can you tell me the vision or the path which you see forward to achieving that figure?
<b>Mr. Gursharan Singh</b>	So, you yourself have answered your question. So, we already said that we have a vision to achieve 1000 crores run over in 3-4 years' time. So that we can say that the vision is already there and now only thing is the road map

	has to be there and yes, road map is there. We've already explained in the presentation our CFO has explained to you we have alternate new diversification programs and additional new customer guests. So we are working the right way to ensure that whatever the vision is there, that road map is also drawn according.
<b>Mr. Parikshit Gujrati</b>	All right. Thank you so much, Sir.
<b>Mr. Jitender Jain</b>	Thanks Mr. Parikshit. Mr. Devachandra Ramani. So, we are unmuting you. Mr. Ramani.
<b>Mr. Devchandra Ramani</b>	Yeah. Thanks for the opportunity. My first question is on our Q4 sales numbers. So, if I'm looking at revenue from operations for standalone operations that decline by 11 percentage points, revenue decline by 18%. Firstly, you can you throw some lights on that? Why consolidated sales decline by 18? Is it primarily because of KTM only or we had a slowdown from rest of the counts as well and the second is why there is discrepancy between our standalone sales and consolidated sales. So with regards to that, I would like to understand regarding the kind of inventory build-up which we have done at our warehouses in Europe and what is the rationale behind that?
<b>Mr. Gursharan Singh</b>	The only difference is KTM because from our Austrian company, we make local sales only to KTM. So eventually, as compared last year fourth quarter, there was a decline, so eventually since standalone Austrian entity was declined. So eventually it will have a decline on the consolidated sale also. So, it's primarily because of KTM.
<b>Mr. Devchandra Ramani</b>	Okay and just to confirm from European warehouses, we are just supplying to KTM only or we are serving other clients as well?
<b>Mr. Gursharan Singh</b>	From our own company operated warehouse, we are serving only to KTM. Thank you, Mr. Ramani.
<b>Mr. Devchandra Ramani</b>	I had another question as well. So, during the last quarter, we gave a guidance for FY26. That our revenue will be 500 to 525 crores just to confirm on that, are we still maintaining that guidance and if we are maintaining, can you split the growth segment twice as well? What kind of outlook we are seeing within two Wheelers recreational vehicles, ATV series and tractors.
<b>Mr. Prabh Mehar Singh</b>	As you know, we have closed around 420 crores. So we are targeting to still target 500-525 +/- 5% was the estimate which we give how it will be achieved. We are getting good signals from the commercial truck segment. That is something which will grow as compared to last year as you also see the domestic business this year split was 68 to 32, which usually hovers around 75 to 25. So that means from domestic market as well, some of our old horses are showing good signs of growth and there are some new platforms which we of course disclosed in the earlier call. There is going to

	<p>be some huge prototyping from that and that will account for. It's got these areas 2-Wheeler market in general, since you know it starts from Diwali quarter onwards. So those as of now customers projections are intact plus how the projections deliver when the quarter comes closer is to be seen as per their sales segments. Since a lot of these estimations are passed on from us from our customers, so as of now our end customers, whosoever have projected our honouring, some of them are showing growth in the domestic and exports both, but during the course of the year, how this pans out will depend a lot on customer, their own performances as well.</p>
<b>Mr. Devchandra Ramani</b>	<p>One last question from my side and next year as well, we are assuming similar split between exports and domestic or that will be changing in favour of exports. And we are planning to fund capex by debt.</p>
<b>Mr. Jitender Jain</b>	<p>Yeah. So, the currently the plan is so as we have said that this our closing date of 31st March 25 was close to 300 crores. The preferential money except for general corporate expenses have been utilized to reduce both long term and short-term debt. The Capex plan as of now still finalizing it but capex plan as of now is close to about 45-50 crores for the current financial year and as of now plan is to fund it 75% by Debt and 25% by the company's equity. So accordingly, you can calculate the debt figure.</p>
<b>Mr. Devchandra Ramani</b>	<p>Alright, great. Thank you. Thank you for answering my questions.</p>
<b>Ms. Neha Bahal</b>	<p>Thank You. Mr. Preet, we have unmuted you.</p>
<b>Mr. Preet Pitani</b>	<p>Hello. Am I audible?</p>
<b>Mr. Jitender Jain</b>	<p>Yes</p>
<b>Mr. Preet Pitani</b>	<p>Yeah, Sir, I will like to know about the entire journey from business point of view. What has changed? Which has shifted your margin earlier which used to be thirteen to 15%, which has now grown in the line of 20 to 25%. And is there any further scope of improvement and if there is what would be the major drivers which would be driving this growth and margin improvement.</p>
<b>Mr. Prabh Mehar Singh</b>	<p>This question was maybe asked by somebody else. If you go to the call recordings exact answer was there and we explained very diligently why the profiles changed, why the margins increased. If there's anything which is unclear, we can always re-answer, but the entire recordings are always available in the public domain.</p>
<b>Mr. Preet Pitani</b>	<p>Okay can just tell me when it was, it was in the previous call?</p>
<b>Mr. Prabh Mehar Singh</b>	<p>Maybe last quarter or last to last quarter.</p>

<b>Mr. Preet Pitani</b>	Okay.
<b>Mr. Gursharan Singh</b>	You know, first of all, Margins is not significantly change. You know, they're always raised more, even if it's margins. We always say rage model 20-25% so early was 24% margins, 22%. Nothing can be very straight line, so some minor changes there are. There are always there, so nothing has gone up really low. Nothing has gone abnormally high. So, we always maintain our initial call recordings and initial the schedules that margins will generally remain for 25%. So last year was 22%. Before that was 24%, so one or 2% error there and you know last year was generally very flattish kind of revenue was there. So that was the reason. But despite of all thing, we have still been able to maintain 22% margin, which is a very healthy margin and given the overall business scenario.
<b>Mr. Preet Pitani</b>	Okay, got it, Sir. My next question would be if you could just brief about the current capacity utilization and your peak capacity utilization means how much revenue you can maximum top line you can do from the current capacity.
<b>Mr. Gursharan Singh</b>	Good question. Definitely. It's the food part for everybody. But yes, you know what happens. We have always maintained that this company, our business model is we always work with premium market segment, so eventually many of the products are seasonal in demand. Many of the products are having some geographic. Yes, but if everything is really going in a very optimistic way with our current capacity is definitely the plan which we have given 500-525 crores for this year. This is definitely being done from out of our existing capacity and we always have about 5 to 10% additional cushion for taking care of seasonal events. So now it all really depends if all those seasonal demands or those short-term peaks in the remarks, they really get together. So, this 10-15% cushion which we keep it that always can be in cash, but otherwise the current our range one numbers for this year what we have planned, the capacities are already aligned as per that. What are the investments we are making this year, they are for the future years nothing, we are investing in the current year's production capacity. so, you can understand what kind of capacity utilization we are having and what kind of portion will always keep for some future products and taking care of some seasonal variations and all.
<b>Mr. Preet Pitani</b>	Okay got it and in follow up for the same question like you have been maintaining guidance of 1000 crores in next three to four years and you told that you have a capacity extra buffer capacity of 10 to 15%. So how much more capital you have to raise for the same in the next three to four years? What will be the ideal capex you will be requiring to reach 1000 crores over the period of time?
<b>Mr. Gursharan Singh</b>	Today we have already answered these questions earlier. Also, we were already said that about 150 crores are investing this year. We already have given in our earlier Calls also that for taking care of us at this next year's

	<p>Capex, we need around 150 crores of Capex required, which will take care of our growth study but you know, it all depends on year to year basis. One cannot really drought very close Capex number or sales numbers because today's world is very volatile. Sometimes it looks oh, everything is going 25% plus, and next day it feels no, it's not going to happen that. But yes, we already made this general forecast in the previous discussions also and our road map is say by 2029-30. Not all depends in coming years, what kind of products come to us, what kind of demands are there? So eventually, Capex will be planned on the year to year basis.</p>
<b>Mr. Preet Pitani</b>	Yeah, got it. Next question is on line of order book.
<b>Mr. Jitender Jain</b>	Please restrict your questions to two to three because there's a lot of other are waiting. So, I think if there is anything you can send to our send to us an e-mail and we'll respond.
<b>Mr. Gursharan Singh</b>	Now, since you already started saying so you can ask one, but we should always say that there are two questions per investor. Okay, so you can still ask.
<b>Mr. Preet Pitani</b>	Sure. So, I would like to ask on the order book what would be your total order book and its execution period and if you could give the breakup component or the industry wise.
<b>Mr. Gursharan Singh</b>	Conversion documents normally order book for the lifetime whenever disclose to our you know, these are very continual numbers. And secondly, these order books are generally a kind of forecast. So they are non-binding forecasts given by the customer and we as a company never disclose these audit books for the project type. One thing is very clear that wherever we are working we always working for that complete project and work as a single source for the project. But disclosing the order books, we don't feel that this reflects the true picture. Many times, this order books are just given as two optimistic numbers. You know, when Ola started a company, he says, he will start producing 1,000,000 scooters from day one and imagine if the suppliers say, oh, I have the order book of 1,000,000 and Ola is not producing over 30,000. So then definitely that becomes unused. So that's the reason company has a policy. RACL has a policy that we never disclose order books for the next five years, 10 years. We always work on year to year-based plans and arrange one forecast for next three to five years.
<b>Mr. Preet Pitani</b>	Yeah. Thank you for taking my question. I'll join back in the queue.
<b>Ms. Neha Bahal</b>	Thank you, Mr. Preet. Mr. Saket Kapoor, we have unmuted you.
<b>Mr. Saket Kapoor</b>	Yes, Sir. Firstly, when we are looking at your standalone and the control number on a consolidated basis, the revenue is lower at 87 from revenue from operations. So, what gets knocked out in the consolidated part? That the revenue is on the lower side? And second question was that there were some factors I think so there was some cutting machine, there was some

	cancellation of orders and then there was some inventory pile up for the previous year for the previous financial year due to which our revenues were flat and also, we have incurred some expenses on account of that. So, are we over with all those issues pertaining to the last financial year?
<b>Mr. Gursharan Singh</b>	It is a reputational question. We already explained a few minutes back that in consolidated and this inventory pile up was only because of KTM fiasco. You know KTM stock production from October. So, from October till March our sales were almost 0 whereas our stocks at warehouse was there and we had lot of WFP's. Also, whatever CFO already explained to you that already started receiving the orders. But we're taking a very, very cautious view on next six months to one-year, which way KTM really takes the kickstart again, but keeping in view Bajaj infusing almost 8000 crores. So, we are keeping a very positive view. But while planning, we are working very cautiously. But yes, you are right, this inventory piles up generally because of KTM. So, we have already explained in detail. It's already out.
<b>Mr. Saket Kapoor</b>	And you are experiencing that at this inventory will get liquidated as and when things come to normal from the KTM side?
<b>Mr. Gursharan Singh</b>	Yeah, yeah, it's a period of time & will get liquidated. We already started getting form orders, but only thing is KTM is restarting full production with a proper plan somewhere after summer vacations where we end up July or first week August we have started getting the confirm orders, but the exact numbers will be reflected in coming time, you know. You're going to also understand. A company which is lying dead for the last six months and not producing anything and suddenly we can't expect that it starts producing with full blast that they have to also manage. All the supply chain, because once supply chain disruptions are there. So, it's not that only RAEL suppliers, they may be having other suppliers also across the board. So, they have to realign all their strategies. So, it will take some time. But yes, the over a period of time everything will get back to normal.
<b>Mr. Saket Kapoor</b>	Just two, just to conclude on this KTM part, what was the contribution from KTM for FY 24, Sir, in terms of the revenue pie, how much have they contributed to our sales?
<b>Mr. Gursharan Singh</b>	Normally it was always 14-15% this year, although 6- 7% is saying FY 24. which we already lost six months, this is all to 8%. So, you can say what 12% of our revenue to be very honest, we closed our figure at 427 crores if this KTM fiasco would have not occurred. We would have been in 500 crores company, so you can really make a calculate that this much revenue company lost because of KTM fiasco for six months of non-production.
<b>Mr. Saket Kapoor</b>	My second question would be so then on the basis of this 500-525 crore revenue we are considering the contribution from KTM. Again, back to that 15-16% at least volume growth. So, this this number of 520 is excluding KTM contribution and whatever we will receive that will be a buffer for us.
<b>Mr. Jitender Jain</b>	Not excluding fully, but taking some conservative views because it's not zero, but it's not 16% out. We're taking it very conservative view and If that

	really that's what conservative view for which we've already got confirm orders from that they have to also restart and if anything, so eventually it will be gains. But so far, we are also taking very, very precautionary approach.
<b>Mr. Saket Kapoor</b>	OK, Sir. Sir, I will join the queue for other questions or I will mail later on. Thank you, Sir and all the best.
<b>Ms. Neha Bahal</b>	Okay Thank you. Thank you. Mr. Ujjwal, we have unmuted you.
<b>Mr. Ujjwal Kumar</b>	So, my first question is on the KTM side only, just extending from the previous participant. So, I just want to confirm this that if given that the situation with KTM is stabilizing, if they're going to full blown production in this year, then whatever numbers, additional numbers that we get from that would be over and above these 525 crores, am I correct?
<b>Mr. Gursharan Singh</b>	Mr. Ujjwal, we already explained that KTM were taken some conservative view while deciding this figure out 500 to 525 crores. Now as of today, I cannot make any forecast but which way the KTM has to go but yes, whatever numbers we have taken for KTM, we are very sure that at least those numbers will get richer. Now, if anything comes more than that, definitely we will really see, if it really comes to our advantage.
<b>Mr. Ujwal Kumar</b>	Got it Sir. So, I am asking whether since we are having higher margin prototyping revenue coming in in FY 26, so can we expect that the margins would remain towards the higher range of you know 20 to 25% that you normally?
<b>Mr. Gursharan Singh</b>	You are wishes are always with us and we'll always strive for getting more, more and more better margins. Yes, we all are working for the same, but eventually you know the beginning of the year. So, we can't really predict which way the market will have to go but yes, definitely as we explained that we are keeping very optimistic view and since we have already raised some fresh funds, we have already paid the Long-term debt, short term debt to the banks. Eventually our finance costs will go down. So, all these things are showing very positive outcome and in prototyping and all some projects there are there keeps coming. So definitely we are keeping a very optimistic view to improve. But your wishes and support is always required to maintain the high margins, yes.
<b>Mr. Ujwal Kumar</b>	Sure Sir. Thanks. Just one last question. What can we expect the interest cost for FY26?
<b>Mr. Jitender jain</b>	So, it was around 7% in FY 24-25. We are expecting an improvement by at least one 1, 1.5%.
<b>Mr. Ujwal Kumar</b>	So basically, can you quantify like it was 30 crores in 2025, so.
<b>Mr. Jitender Jain</b>	So, about that we are expecting a saving of one or one and a half percent.
<b>Mr. Ujwal Kumar</b>	Got it Okay. Thank you. Thank you.

<b>Ms. Neha Bahal</b>	Thank you, Mr. Ujwal. Mr. Pratik Jain, you can ask your question.
<b>Mr. Pratik Jain</b>	Yes. Am I audible?
<b>Mr. Jitender Jain</b>	Yes
<b>Mr. Pratik Jain</b>	Thanks. Thanks for the opportunity. So my first question is, if I look at your working capital days obviously for sale reasons, they have been stretched now to around 221 days. You had earlier indicated that over time, you know you will like to normalize it to 160 days. Can you help me understand with current scenario where do you see this working capital? Let's settle in the medium term. And do you still feel that we can achieve this 160-day target?
<b>Mr. Prabh Mehar Singh</b>	How do you calculate this 221? I think it's not 221.
<b>Mr. Pratik Jain</b>	Calculated as a percentage of sales overall.
<b>Mr. Prabh Mehar Singh</b>	That's incorrect. So, we have to also consider any other 160 days so.
<b>Mr. Jitender Jain</b>	<p>As you may have, as we have explained earlier, you know so as per our calculation based on the turnover days data and inventory days based on turnover and the working capital cycle is coming to around 160 days now the data is and inventory days have gone up a bit in FY 2024-25 data days have gone up obviously because you know the turnover which RACL India has done to GmbH now the payments had not come on time from GmbH. So that was one reason.</p> <p>Secondly, over the last two years, the shipment period overall after the Red Sea crisis and all has gone up earlier, the shipment period to Europe used to be about 60 days. Now it is about 70-72 days. So about 10-12 days of overall shipment period has increased, so that will remain. But then and that slowdown of which was there in Europe and all so because of which from the warehouses, the pickup of the material was slightly delayed. So, these were the three main reasons for increase in debtor days from FY 23-24 to 24-25, now out of which that 10 days, 10-11 days of shipment period increase that will that's a global phenomenon that will remain. The payment has already been done to RACL India and then, apart from that pick up from all the European customers, have increased &amp; have improved. So, data days have already started showing improvement trend there. So that is there and secondly on the inventory days part and all, basically we had, if you look at the breakup of the inventory and all one of the components for our inventory is loose tools and fixtures which have to be procured at the beginning of the year based on the based on the forecast for the year since the forecast for the last year was close to 500 crores.</p>

	So, the tools and all were already procured and all but, but because of which the but then unfortunately because of the KTM fiasco and all that overall turnover could not be achieved. So that because of that part, only the inventory days have gone up, but now the turnovers have already started picking up and all with the current projections, which we are having and all the inventory days will also fall in place.
<b>Mr. Pratik Jain</b>	Thanks. Thanks for so for this detailed answer. So just to confirm if you can get me help me triangulate my numbers? What inventory days as of FY25?
<b>Mr. Jitender Jain</b>	Could you drop me a mail? I'll answer you on that. I think for the benefit of everyone. I think all calculations and all we can discuss on it, Okay.
<b>Mr. Pratik Jain</b>	Got it, got it. I will take this offline. Thanks.
<b>Ms. Neha Bahal</b>	Thank you. Pratik. Mr. Kothari Mr. Pratik Kothari. Can you unmute yourself please?
<b>Mr. Jitender Jain</b>	He has written question in Q&A Box. I'll read the question. Pratik Kothari has asked exclusive of KTM anything else that was below our expectations this year our and scaling up, yeah. First of all, I'm glad to share that MAN has given us very good forecast as compared to FY25. In fact, in FY25, MAN had produced because they always work calendar year, but they produce 53,000 trucks this year. They're targeted 65,000 trucks, so this really shows almost 20% of increase as compared to last year and this increase in demand is already reflecting in our pickup and our further columns. Yes, that is still some models they are doing very good. But in some models, they are still catching up and I feel it will take where do wait for it to get real picture, particularly for their American market things are still not too optimal, I hope I have been able to clarify.
<b>Ms. Neha Bahal</b>	If there are any other questions from anyone, You can drop us an e-mail and we will respond on the same. I would now request CMD Sir to say ending remarks.
<b>Mr. Gursharan Singh</b>	Oh, thank you. First of all, as I said in my opening comments that we really always feel thrilled to interact with you guys, you it really gives us lots and lots of insight and for the investor call. So, it really shows that there is a lot of enthusiasm towards this Concall and we really look forward for your valued contribution and ask as much questions as possible so that it keeps us all of us on our toes and it really keeps us motivated and inspired to put up our efforts to perform continually in a more and better way. So, thank you once again to all of you for joining this call and we keep interacting Anybody has any queries in between, you're always welcome to approach us. We're always open for more and more interaction with you, so wish you all the best once again and thank you for joining this call.
<b>Ms. Neha Bahal</b>	Thank you, everyone. On behalf of the management, I would like to sincerely thank all the participants for joining and engaging with us today. Your participation is greatly appreciated. I would also like to extend a special thanks to the management team for their thorough and patient

	responses to all the questions raised during the session. Thank you everyone.
--	---

Notes:

1. This transcript has been edited for readability and does not purport to be a verbatim record of the proceedings
2. Figures have been rounded off for convenience and ease of reference.
3. No part of this publication may be reproduced or transmitted in any form or by any means without the prior written consent of RACL Geartech Limited.