

04-11-2025

To,  
The Manager - DCS  
**BSE Limited**  
PhirozeJeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 523828**

To,  
The Manager - Listing Department  
**National Stock Exchange of India Limited**  
Exchange Plaza, BandraKurla Complex  
Bandra (East),  
Mumbai- 400051  
**Symbol: MENONBE**

**Subject :Disclosure of Information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Outcome of Schedule of Analyst / Institutional Investor Meeting – Transcript of Earnings Call**

Dear Sir / Ma'am,

Pursuant to the relevant provisions of Regulation 30 (6) read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we would like to inform you that the officials of the Company had an earnings conference call relating to the Unaudited Standalone & Consolidated Financial Results of the Company for the quarter and half year ended 30<sup>th</sup> September, 2025 for the Investors/Analysts (Participants) which was held as per the details below.

| Date & Time                                     | Type of Interaction      |
|-------------------------------------------------|--------------------------|
| 29 <sup>th</sup> October, 2025 at 3.00 p.m. IST | Earnings Conference Call |

The Transcript of the earnings conference call is enclosed herewith and has been uploaded on the website of the Company i.e. [www.menonbearings.in](http://www.menonbearings.in).

Kindly take the same on your record.

Thanking you,

Yours faithfully,

**For Menon Bearings Limited**

**Siddheshwar Kadane**  
**Company Secretary and Compliance Officer**  
**Membership No : A72775**



## **Menon Bearings Limited**

### **Q2 & H1 FY26 POST EARNINGS CONFERENCE CALL**

October 29, 2025 3:00 PM IST

#### **Management Team**

Mr. Arun Aradhye - Whole Time Director and CFO  
Mr. Aditya Menon - Part of the Promoter Group

**Call Coordinator**



Strategy & Investor Relations Consulting

## **Presentation**

### **Vinay Pandit:**

Ladies and gentlemen, on behalf of Kaptify Consulting Investor Relations team, I welcome you all to the Q2 and H1FY26 Post-Earnings Conference Call of Menon Bearings Limited.

Today on the call, from the management team we have with us, Mr. Arun Aradhye, Whole Time Director and CFO, and Mr. Aditya Menon, who is a part of the promoter group.

As a disclaimer, I would like to inform all of you that this call may contain forward-looking statements, which may involve risk and uncertainties. Also, a reminder that this call is being recorded.

I would now request the management to brief us about the business and performance highlights for the period ended September 2025, the growth plans and vision for the coming year, post which we will open the floor for Q&A. Over to you, sir.

### **Arun Aradhye:**

Okay. Thank you, Mr. Vinay. So good afternoon, everyone. And I wish you all the best for the next year that is Samvat year. I hope you must have enjoyed the Diwali vacation. And now I will start with my opening remarks.

So it's my pleasure to welcome you all to the Menon Bearings investor concall for the second quarter and half year ended September 30, 2025. So thank you for joining us today and for your continued interest in the company. We are pleased to report that Menon Bearings has delivered another quarter of consistent performance, backed by steady demand across domestic and export markets, along with strong operational discipline.

During the quarter, revenues stood at INR63.85 crore, a growth of about 7% year-on-year, while EBITDA was INR11.1 crore and PAT stood at INR6.8 crore, reflecting 18% growth in H1 FY26 over the same period last year. EBITDA margins for the half year stood at 18.8%, while PAT margins improved to 11.6%. Our Bi-Metal division continues to be the major contributor, supported by increasing demand for large diameter bearings and new product development. The Alkop division also showed healthy growth, driven by export orders, and the Brakes division maintained stability with aftermarket and OEM demand.

We continue to invest in our capacity expansion plans. Bi-Metal capacity will rise from 486 to 530 lakh units. Alkop can anytime double

the capacity from 1,440 tonnes to 2,880 metric tonnes, and the Brake division will scale up from 18 to 24 lakh pieces over the next two years. These expansions are strategically aligned to capture the growing domestic and international opportunities, with a total planned CapEx of about INR25 crores to INR30 crores.

On the sustainability front, we have implemented a 570 KW solar power system and several energy-efficient measures that will reduce long-term costs and carbon footprint, reflecting our strong commitment to ESG practices. Apart from that, we will be installing roof-top solar panels with a capacity of 2.5 MW, and that is being completed within a period of a couple of months from now. So that will definitely benefit us so far as electricity consumption and expenses there are for concerned.

Looking ahead, we remain optimistic about growth prospects. We have already entered into the EV component segment through Eaton parts supply to Porsche, and expect that EV business to contribute 8% to 10% of Alkop revenue by FY27. Exports currently account for around 30% of total revenue, or a little more than that, and that is being increased up to 35% by the end of this year, considering the export orders that we are already having in hand, and are projected to reach 40% by FY27, mostly between 35% to 40%, led by strong traction from the U.S. and emerging African markets.

With virtually debt-free balance sheet, strong order book and robust customer relationships, Menon Bearing is well positioned for sustainable, profitable growth in the year ahead. Apart from that, what I would like to tell you that, considering the business that we have already started with one of the prominent USA customers, that is Allison, which we have already started from the last month, which is to the tune of more than INR2.5 crores a month in the Bi-Metal division. Apart from that, additional orders of around INR3 crores, which will be productionized by January 2026, coupled with increase in the production capacity and order book position of Alkop, the parts, in respect of John Deere and other customers, which are more than 51, which have been already tested, samples have been tested, and those will be all productionized by the fourth quarter of this year.

So, considering that, we are absolutely sure that we should be reaching to almost, on a consolidated basis, to the tune of more than INR280 crores to INR290 crores in between somewhere by the end of this year, with 18% to 20% increase in the next year, considering the business that we have already secured.

So, thank you and we once again thank you for joining. We now look forward to addressing your questions. Thank you once again.

**Moderator:** Thank you, sir. We will start the question-and-answer sessions. [Operator Instructions]. We will take the first question from Bhargav Buddhadev. Please go ahead.

**Bhargav Buddhadev:** Yeah. Am I audible, sir?

**Arun Aradhya:** Yeah, yeah, very much.

**Bhargav Buddhadev:** Yes, sir. My first question is that if you look at your export growth this quarter, it has been a fairly strong performance led by Alkop. So given the several headwinds which are there in the export market, especially given the fact that we are increasing our exposure to US, where there is a tariff. If you can give some thoughts that post the tariff scenario, how is the business evolving over there? Because both in Bi-Metal and Alkop, the incremental growth is likely to be contributed from US. So if you can share your thoughts as a starting question, sir.

**Arun Aradhya:** You are right. Maybe in the month of September, there was little confusion about the business with USA because of the tariff and sanctions imposed by USA. But now the confusion is over. Most of the customers we are having so far as USA is concerned for exports, our terms of supply are Ex Works or FOB Mumbai. Maybe whatever business that we have started of more than INR2.5 additional crores of business with Allison USA that is duty delivery paid in respect of which the tariff will have to be paid first by us, 50%, which will be reimbursed to the extent of almost 10% to 12%. That calculation is being going on considering their foreign trade zone for which they get exemption on certain raw material imports. So instead of 50%, we'll be having around -- we'll have to consider about 10% to 12% of the total custom duty. But that business will continue without any issues. Similarly, in the position so far as Alkop is concerned, Mr. Aditya will tell more about that.

**Aditya Menon:** Just to make it more easier with most of our customers, our terms of delivery is FOB Mumbai. So our responsibility is only till Mumbai. After that, the customers, their delivery partners do the delivery, they pay the duty. So we are not affected that much. But like Mr. Aradhya said, like Allison, few customers where we have to deliver to the facilities in the US, where we are -- the tariff is, we have to pay the tariff, but these big companies are helping us. It means they are helping us with the tariff. So imagine if 50% if we are paying, they are passing

it on, right? They are also sharing the burden. So the full burden is not beared by us, just to make it in easier terms.

**Bhargav Buddhadev:** So if we assume a scenario where maybe say in a couple of months time if the trade agreement with the US is reached and if the tariff is reduced to say less than 20%, then is it fair to say that we will be on track to make about 20% plus EBITDA margins on that less than 20% tariff scenario at the consolidated level?

**Arun Aradhya:** Yes, irrespective of whatever trade deal happens, we don't know about that. But I'm absolutely sure considering the order book position which we are having at present, we'll be reaching to more than 20% EBITDA margins this year.

**Aditya Menon:** And if the tariff falls, it should help us even more, right?

**Bhargav Buddhadev:** Secondly, sir, if you look at the second quarter, we have seen some decline in terms of EBITDA margins to less than 16%. So, if you can share your thoughts, what led to this and despite this, you are confident of achieving 20% EBITDA margins for FY26, is that correct?

**Arun Aradhya:** Yes, yes.

**Aditya Menon:** I would like to begin with like last first quarter of this year was the best quarter in Menon Bearings' history. So if you compare the second quarter with last year's quarter, we still done better revenue-wise. EBITDA margin is a little lower because this year, this second quarter very uncertain. So I don't want to say again, but the raw material prices were again higher. So this time it didn't get passed on to us. So that benefit in the third and fourth quarter you will see. So this main reason of EBITDA to fall was because of raw material prices, which we had to bear. So the next third and fourth quarter, you will see a better trend for Menon Bearings and Menon Alkop.

**Arun Aradhya:** So in this quarter, we will be able to pass on that burden to them as per the pre-decided formula. That would be second.

**Bhargav Buddhadev:** And lastly, sir, on the railway business, we were supposed to get approvals, sorry, on the brakes business, we were supposed to get approvals from the railways and we were awaiting the dynamometer to get that approval. So if you can share some updates on that, because there we are targeting about INR100 crores of revenue. That's a big jump. So, if you can share your thoughts on that, that would be my final question.

**Aditya Menon:** Yeah, we were actually, the second quarter was the planning, but there have been few technical delays. So maybe third quarter or fourth quarter, we'll get the dynamometer. Dynamometer is very complex equipment. Not many manufacturers are there in India. So the current manufacturer had some technical issues. And so as management team, we all are working on it. But as soon as it gets, we have done all the other railway registrations and all the other audits have been conducted, but we are just still waiting for the dynamometer to come in. So we're being as transparent as possible. So as soon as the dynamometer is there, we should -- the process will begin.

But the next two quarters for even brakes, you will see a growth because we are expanding our product. We've entered two wheelers also now. So because railway is getting delayed, we're looking at other avenues to enter. So for two wheeler Pulsar bikes, we're doing brake pads. So that's another product we have started in. But as soon as railway comes, you will see a growth in the brakes division also. But currently, the management, we are working on it. We're supposed to get it in the second quarter and third quarter, end of second to third quarter, but there have been some technical issues. So technology changing, we're trying to get one side railway, one side OE for the dynamometer. So we're still figuring that out. So as soon as that happens, you'll see some -- we will as management update you on the same.

**Arun Aradhya:** In the meantime, what we have done, we have started the business for Bajaj that is for Pulsar, as he has already --

**Aditya Menon:** Pulsar bikes.

**Arun Aradhya:** Pulsar bikes. And eventually, their requirement per month is around five to six lakh of pieces, which now we are supplying to the extent of one lakh and gradually, by the end of the year, we will be reaching about five lakhs per month for brake pads to the Pulsar.

**Bhargav Buddhadev:** And just one last clarification. So if you look at revenue growth, there was some slowdown as compared to the first quarter. So is it that in the month of September, there was some slowdown in terms of revenue because of this uncertainty?

**Aditya Menon:** Second quarter, actually, first quarter was the best quarter in Menon Bearings' history. Second quarter, little bit uncertainty, even in order book. Before, we had a little more positive forecast, but even all bigger companies, they also are in uncertainty, right?

So a lot of export tariffs and imagine for bearing is a small commodity, right, for average price, INR100. But for a big tractor, big, where our parts fit, their parts are even bigger. So 50% tariff for that. So, these companies must have taken a more aggressive call. For Allison, we are paying tariff because we have a big long relation and we have to help them when they need us. And they're helping us with the -- they're also taking the burden. But for bearing is small part. Piston is for INR10,000, engine block is for even more. So bigger customer, other players, it's more tough for them to go ahead with the tariff.

So a lot of uncertainty in the market, but this October is looking very good. Next quarter, you will see October.

**Arun Aradhya:** Probably we'll be recording highest sales ever in the history of Menon Bearings during this month, October.

**Aditya Menon:** One month, single month highest ever. So the last three months are a little slower than the first quarter. But...

**Arun Aradhya:** Particularly in the month of September, apart from tariff confusion, people were waiting for the revision in GST also. That has also impacted the business of September.

**Bhargav Buddhadev:** Okay. Great, sir. All the very best and thank you for taking my questions.

**Aditya Menon:** Yeah.

**Arun Aradhya:** Thank you very much.

**Moderator:** Thank you, Bhargav. Sir we'll take the next question from chat. It's from Ankur Tripathi. He's asking Menon Bearings has set a sales target of INR300 crore for FY26. With Q1 revenue at INR67 crore and Q2 revenue around INR62 crore, is the company on track to achieve this target?

**Arun Aradhya:** As I already told you that we'll be reaching between INR285 crores to INR290 crores during this year, '25-'26, considering the order book position that we already have.

**Moderator:** So his second question was about order book. What is the current order book, sir?



- Arun Aradhya:** Current order book position is for this year it is INR290 crores and for the next year it is INR350 crores.
- Moderator:** Thank you, sir. We'll take the next question from Sagar Shah. Please go ahead.
- Sagar Shah:** Thank you, sir. And thank you for the opportunity and good afternoon, sir. Congratulations for posting some decent set of numbers. Now my first question was that you highlighted that one of the reason was this GST confusion actually. And that led to a weak September and that led to something like a lower revenue offtake in this quarter as compared to sequential.
- Arun Aradhya:** Along with tariff confusion.
- Sagar Shah:** Okay, tariff confusion. But my question was related to domestic front. On the domestic front also we increased our capacity also actually. In the Q1, we had the ready new capacity also. So was some sort of a delay from domestic customers regarding the order offtake, sir? Was that sort of from Bajaj or some other customer? Was that also a reason?
- Arun Aradhya:** No, that is not the only reason. Because of GST, the schedules were to some extent decreased, which has been compensated by this month.
- Aditya Menon:** How it is for us, they gave us a three months rough forecast, like you know, 8,000 pieces, 12,000 pieces, for example. So in September, because of tariff, GST, you know, we have a small part, they have to check their inventory with all the big parts like one tractor or one engine has maybe, I don't know, 8,000, many, like x number of parts. So they had a little bit of confusion, little bit, you know, it was a little pessimistic. The market was pessimistic. Yeah. So, this quarter, they have shifted it to October. And like Mr. Aradhya said, October, we are having the best month. Next quarter, we will, of course, give out the results, but October will be the best month ever in Menon Bearings' history.
- So maybe September, they delayed a bit in October. I don't know. I don't know what the company's logic is. But this time forecast, it was a little over the forecast this last one, one month and a half.
- Sagar Shah:** Okay. So is it safe to assume we'll be supplying to the Bajaj or regularly 5 to 6 lakh pieces, we are in a position now with the new capacity onsite?

- Arun Aradhya:** That will be so far as brakes, Menon Brakes is concerned.
- Sagar Shah:** Yeah, okay.
- Arun Aradhya:** We expect that by the end of this year, we'll be able to reach 5 to 6 lakh pieces per month in brakes, so far as Bajaj is concerned.
- Aditya Menon:** And we just started the business two months ago. So even when we ramp up, we want to make sure because they are replacing us with the existing customer of theirs, because of our quality and better pricing. So we also make sure that we are doing sustainable growth, right? Just because 6 lakh order, we are not doing 6 lakh. If there is an issue of quality, so they will also have doubts in us. So we're doing a sustainable growth where, we are a sure shot replacement for the years to come.
- Sagar Shah:** Right, right, right. Makes sense, makes sense. So what is the capacity utilization as on date for our all three segments? Can we please know?
- Arun Aradhya:** That is around between 70% to 75%. Maybe in Alkop we are having greater capacity so far as foundry melting is concerned. Only what we have to do that we have to increase the capacity so far as machines are concerned, matching the requirement of the customers.
- Aditya Menon:** Yeah. Because Alkop, we are doing very critical parts. So we're not investing in the machinery, like the machine shop yet, because every machine requires three axis, four axis, five axis. So depending on the productivity, what kind of part job is going to fit on the machine, we get the machines. But for the foundry where the melting and high pressure die casting is there, we have around 60% utilization. So 40% is still spare capacity is still there.
- Sagar Shah:** Okay, okay. So in the Bi-Metals, the capacity is increased to 530,000. So is it safe to assume that 70% utilization, I think, won't be on the additional capacity that you had built, right?
- Arun Aradhya:** You see, on an average from the last month, or particularly in this month onwards, additional quantity of 6 lakh has increased so far as production is concerned, per month.
- Sagar Shah:** Okay. So, basically, the capacity will be utilized from in H2, actually the new capacity of Bi-Metals.
- Arun Aradhya:** Correct. Yes.

- Sagar Shah:** Okay. Okay. Sure. My next question, sir, was regarding to this progress of the 63 parts that are gone for approval. So basically, are those -- are those customers still basically wary of the tariff situation or there is some -- or there is some kind of progress on the approvals also of the 63 parts of Alkop?
- Aditya Menon:** These Alkop parts are approved, but we are just like telling you like saying some parts are FOB Mumbai. So export tariffs are not affected. But where tariffs have been applied to us, we are having healthy discussions with the customers. Because customer knows even what we are facing through. If someone is adding 50% tariff, customer hardly gives us 18%, 20% margin. So if someone is giving 50% tariff, so to what extent we are in negotiations, to what extent they are going to bear the tariff, like reimburse us with the tariff. So all that is in place. But from quarter three, quarter four, you will see a rise in exports in Alkop too. Because what all parts we have been submitted in the last couple of last year, the year before, they are getting -- startup businesses happening from quarter three, quarter four. So we are getting...
- Sagar Shah:** So that are out of that -- so, 63 parts that you are telling, the supplies.
- Arun Aradhya:** All the 63 parts are being productionized by the end of this quarter, third quarter.
- Aditya Menon:** This year. Yeah, third, fourth quarter already means we are getting forecasts. So they also ramp it up. They also ramp it up. Imagine 5,000 monthly. So from this month, we are getting 1,000, 1,200 orders. So, we are now, this last two quarters and next year, we will, what do you say, bear the fruits of the labor we have done for the last two years, developing these parts.
- Sagar Shah:** Exactly, because last two years, you have been supply, basically supplying these products for approval, actually, that we have been hearing on the concalls.
- Aditya Menon:** Yes, but this quarter, quarter three, quarter four, you will start seeing the growth in the revenue and margin.
- Arun Aradhya:** So basically, what has happened, all these parts are for exports. And where all these people, we have to send the samples to the USA at certain destinations. They are having many more destinations in the USA also. So after we submit the samples to them, their team comes here for PPAP. Once they approve, then it is sent back for viability and feasibility and testing again. And after that -- it is a long process. As I

already told you many times that it takes almost nine months to one year for testing of these samples.

**Sagar Shah:** Absolutely.

**Arun Aradhye:** And according to their projections and project, when they are going to start that particular project, they are releasing the schedules accordingly.

**Aditya Menon:** And even like, for example, these new parts of our John Deere Honeywell, they are not only from Menon Alkop, they are getting from many buyers from India. Because of this tariff confusions, maybe other players have held back. We are ready to support, but other customers, I don't know how much other suppliers, how readiness of theirs is. So if they don't have all the parts, they just don't take our part and keep. Till the engine is not assembled, they don't take one part. So, a little bit delay, confusion, it's just taking a little bit of time. But quarter three, quarter four, we are already seeing new product forecasts coming in.

So we as management are planning the production. We are also keeping readiness. When their order comes in, so we should not be in a position that give us three months to supply. So we are also already starting the production and keeping it on our end.

**Sagar Shah:** And this Allison contract of INR2.5 crores per month that has already started or...?

**Aditya Menon:** I'll just give you a basic idea. When we start a new business, it's called 3PL system. When you do any export, three months for at least in our, what customers we have, three months of stock, we have to keep in warehouse in their facility. Then now, because of transit used to be 35 days before, it takes around two months now. So it's five months of like the business, billing is starting Jan, Feb. But last two months, we have already sent Allison the material.

So when January, when they start, like when switch to Menon Bearings. So they have enough stock in their warehousing. So last month, we have dispatched, October, we are dispatching. So whenever December, Jan, whenever they decide to start the business, they will already have enough stock in the warehouse.

**Sagar Shah:** Okay. So at least we can see of the INR63 crores, none of the Allison revenues are there.

**Aditya Menon:** Yeah. Revenue has not come, but we have already sent our, what do you say, production has gone, billing has not...

**Sagar Shah:** Samples.

**Aditya Menon:** Yes, samples. No, the first batch as such has already left from Menon Bearings. We manufactured and the first two batches, in fact, have dispatched. So it takes around 45 days, 50 days to reach US, they will check, have it in the warehouse. And once they start billing, then it will happen. Like once they start taking the batches, then the billing will start happening from Jan, Feb. So January, February, you see the revenue impact of the parts.

**Sagar Shah:** Okay. Okay. So regarding the margin guidance, actually, the margin guidance, the EBITDA margins that you clocked are around 15.6% for this quarter, which are at actually a record low, actually. So the cost impact that I'm largely seeing is not much of because of gross margins, but because more it's related to your higher OpEx costs, especially other operating expenses. And I believe these expenses are because of the new CapEx that you had done last year of INR30 crores. Is it safe to assume? Because I do not seeing much of the impact of gross margins. So is it safe to assume that operating -- once you actually clock more revenues out of your existing new plant that will be a driver of your incremental margins and not your gross margins?

**Arun Aradhya:** You see what has happened actually during the last quarter, one thing is that input material costs have gone up along with the consumables, which are considered in the other operating costs, right? And apart from that, salary, wages, et cetera, because of increase in the DA and because of increments and because of bonus and et cetera that have also gone up during the last quarter. Apart from that electricity rates have also gone up. So all those expenses we will have to pass on that burden along with the raw material to the customers in the next quarter that is from October onwards.

So we'll be preparing the charts as to what were the average rates of these items during the first quarter and how much they have increased in the second quarter and whatever increase is there on first quarter, that increase is being given by rise in the prices by the customer. And that benefit will accrue during this quarter, so that our EBITDA margins will go up drastically.

**Aditya Menon:** But like you said, when the new plants are also at a more optimum operating levels, these margins will be better. Because CapEx, what do

you say, getting the building machinery is one thing. But at the same time, we have to get manpower. Like today's world, that also is an investment. So we have to prepare already. You know, you don't get readymade people like, you know, you want tomorrow, tomorrow I can't go and hire one professional. So already we are starting hiring people looking at the future. So, that also must have -- that also is adding on, like, you know, it's a combination of both.

**Arun Aradhya:** Now what we are saying is also correct to the extent of certain -- certain extent, there is increase in the OpEx because of increasing the CapEx to the tune of almost INR30 crores. So, the fruits of which will be enjoyed by us by the end of this fourth quarter.

**Aditya Menon:** Electricity unit rate also has increased. Plus, when you do a new plant, the basic electricity charge increases when the building is not 100%. It's basic operation cost also that, like you've seen.

**Sagar Shah:** Yes, that's what I was referring to that those kind of cost when they're amortized actually over in the next six months and when the revenue goes up, definitely that cost will be absorbed and we will see higher margin. So can you guide us with the approximate EBITDA margin range for the entire year FY26, which you would be closing on, sir?

**Arun Aradhya:** For the entire year, it will be between 19% to 20%.

**Sagar Shah:** Okay. Okay. Okay. Fine, sir. Fine. Thank you so much and congratulations and best of luck for the next year.

**Arun Aradhya:** Thank you.

**Aditya Menon:** Thank you.

**Moderator:** Thank you, Sagar. Sir we have a question on the chat from Ankur Tripathi regarding the margins. He is also asking for your margin expectations for FY27, if you can guide.

**Arun Aradhya:** FY27 margins are between what we have forecasted is more than 20%. Though the forecast is about 22% for the year '27, what we feel is that on the conservative side, we should take it between 20% to 21% to be on the conservative side.

**Moderator:** Okay, sir. Thank you, sir.

**Aditya Menon:** My calculation is higher, but it's always better to be conservative.

- Moderator:** Thank you. Thank you, sir. We'll take the next question from Kunal Tokas. Please go ahead.
- Kunal Tokas:** Okay. First question is, sir, you said the raw material costs increased. So can you give us an amount? What was the increased rate?
- Arun Aradhya:** You see, in the first quarter, if the rate of copper per kg was INR745 to INR775, which has gone up to INR875 during September. And now, in this October, again, it has gone up to INR940. Similarly, tin was almost INR2,250, which has now gone up to INR3,250. Steel rates are more or less constant, a little bit of increase of INR1 or INR2 per kg.
- Aditya Menon:** Similarly, for aluminium, average price is around INR205-INR210.
- Arun Aradhya:** INR190.
- Aditya Menon:** You have INR190, some alloys. So you can take around INR200, INR205, it's reached up to INR245. So it's a significant increase. So now we are making charts with our customers, you know, where this last quarter where we have beared September, even October now. So, we are sharing with them. So they are also discussing internally. So maybe third quarter or fourth quarter, they'll pass the benefit back to us.
- Kunal Tokas:** The reason I was asking was that I wanted to find out what the contribution of price increase would be to this year's guidance of INR270 crores, to INR280 crore. So you already had a price hike in Q1 as well, and now you'll have another in Q2.
- Aditya Menon:** Yes, but what happens now, Q3-Q4, we will tell, and they'll reimburse for Q1-Q2. Then Q3-Q4, next year we'll get reimbursed. So there's a formula where the company will, what do you say, give us the price increase. Because how we do our costing, the raw material price is counted in the, like, the company gives us the raw material price. The costing, how it works for our production, the raw material is, what do you say, it's, we have to even give them how much margin we make to all our customers.
- Kunal Tokas:** It is passed on. But in volume, volume terms, what would be the growth for FY27?
- Arun Aradhya:** I can't say exactly volume, we cannot identify exactly what it can be. We are working out the same, and it will be completed, the exercise will be completed by the end of this month, and maybe about 15 days will

require for that, and then the percentage will be about 5% to 6% that we are going to benefit from that.

**Kunal Tokas:** Okay, okay, got it, sir. And for the -- what would the contribution of the Brake segment be in FY26? Does that depend on getting the dynamometer on time?

**Arun Aradhye:** Yes, that is what, because of some technical matter that has been delayed to a certain extent, though the railways have already -- we are registered with railways. They are waiting for the dynamometer to come and they will come for inspection and they will approve as it shows, and we'll start dispatching to them, supplies to them. But it may take a little more time because of this delay in procuring of dynamometer, which is costly as good as INR3 crores to INR3.5 crores is the cost of that dynamometer. Along with the railways, our OEM business will also get into our fold after we install that.

**Kunal Tokas:** Okay, so Brakes, what would the contribution be to this year's top line?

**Aditya Menon:** Around INR13 crores to INR15 crores, like INR13 crores to INR14 crores, depending on how last two quarters go off.

**Arun Aradhye:** You can say about INR13 crores.

**Kunal Tokas:** Yeah, okay. And for the brakes business again, when you have entered the two wheeler business with Bajaj Pulsar, what value proposition are you offering them to switch their vendor?

**Arun Aradhye:** Even if we go up to the extent of, instead of 5 to 6 lakhs their requirement, if we go up to say by the end of March, we reach up to 3 to 4 lakhs of pieces per month that additional business will be around INR80 lakhs to INR85 lakhs per month.

**Aditya Menon:** And actually, this business value proposition means they are having troubles with the current supplier. So that's why they were looking for another supplier. That's how we got into the picture. We have open orders, but like I told before to Mr. Shah, that we want to do a sustainable growth. We have an open order, that's why we gave 2 lakhs and there were rejections. Our Menon Brakes name will get spoiled. It's a safety product. So we are making sure our processes are bulletproof. We go with zero PPM, do give timely delivery, timely order.



So actually now they have even given another model part because they liked the quality. So as management, deciding should we even invest in that.

**Arun Aradhye:** Once we reach to the optimum level, you can say that monthly business will be around INR1.30 crores to INR1.5 crores a month. For that, we will have to have additional capacity.

**Kunal Tokas:** Got it. So just last question, what are your plans for Africa and what is the sort of indicative timeline?

**Arun Aradhye:** Indicative timeline is that from the month of December, we will be having the business of around INR50 lakh per month to start with from December.

**Kunal Tokas:** Which segment will it be?

**Arun Aradhye:** So yearly impact will be around INR6 crores in Bi-Metal.

**Kunal Tokas:** In Bi-Metal. Okay. Got it, sir. Thank you very much and have a good day.

**Arun Aradhye:** Thank you.

**Moderator:** Thank you Kunal. We'll take the next question from Arnav Sakhuja. Please go ahead.

**Arnav Sakhuja:** Hi, thank you for taking my question. So my first question is, so in our PPT, you mentioned that there are some strategic investments that we've been doing from a cost saving perspective. So would it be possible to quantify what kind of cost savings we could expect from these ventures in the next one or two years?

**Arun Aradhye:** You see, only with the help of installation of rooftop solars we'll be saving around INR2 crores per year.

**Aditya Menon:** So that's one. Another, we're also doing an efficiency of toolings. We're getting more advanced toolings which have better life. So it's all operating efficiencies. We're trying to maximize those. So those also will in the long run, give us savings, increase our margins, operating margins also. So one was a big, we have done around INR10 crore to INR11 crore investment in solars. All our rooftops are getting solar panels. One is for cost saving. Another one is all our customers are big customers where their goals, their company goals are to have a better

carbon footprint on the world. So how we have quality, like when you do a product, there's price. First they check the quality, then the price. Now they're getting a carbon sheet as well.

So we're doing -- so one main reason behind solar was to get carbon footprint approval also, because that's going to be a parameter for these big customers to choose between suppliers -- for global customers for export, especially EU and US. So EU is starting to have a carbon footprint on this big John Deere and all other customers. So if they don't fit the carbon footprint, there'll be extra taxes put on those parts.

**Arun Aradhya:** If we implement it, we'll get a better price.

**Aditya Menon:** Yeah. So we're getting better prices also. So that was one big reason why we went for solar also, a big investment.

**Arnav Sakhuja:** Thanks. And so my next question is, is there any update on our business in the Bi-Metal segment that we're doing with Canada?

**Arun Aradhya:** Canada that is you see, because of certain uncertainty, because of tariff and all these things, the people there with a certain company, which means we can have a better business. We cannot tell the name of that company, but what we've decided that I'm going to have a meeting with them in the month of April. And that alone business will be to the tune of almost INR50 crores to INR60 crores per year. And they're already approved our pricing, et cetera and quality as well. So how to take it forward that we will decide in the month of April when we'll be meeting in the USA, they will come from Canada. I will go there from Kolhapur, from India, and we'll complete that deal by the end of April, next year.

**Aditya Menon:** Just for better knowledge, many of the U.S. companies have their manufacturing units in Canada also. So in the long run, you know, just to be safer on the tariffs, they are trying to reroute us from Canada and Mexico also. So we're just working out how the costing, pricing, everything will work out.

**Arnav Sakhuja:** And this would be in the after-sales segment, right?

**Arun Aradhya:** No, no, no. That is OEM.

**Aditya Menon:** OEM, OEM segment.

**Arnav Sakhuja:** OEM, Okay, OEM segment. And just one last question. So you were mentioning earlier about some business from Africa. I didn't catch that number. Could you please repeat that number?

**Aditya Menon:** Actually, we have got a few inquiries from a few companies in Africa. So they have given big numbers. So we're planning to start with a small quantity first. That's INR50 lakhs per month business for Bi-Metal, Bi-Metal product and that will increase. We are just not skeptical. Just want to make sure the payment cycle, everything is, you know, on time. Because like back in the day, before I was born, we used to supply to a few countries in Africa. So that time we had some bad debt situations there where in 1994, '96, where INR30 lakhs, INR40 lakh rupees, just, you know, we couldn't get the payment back. And what can -- you can't fight an international court. And it's all sounds fancy. But in reality, when you go to do it, it's very difficult.

So we're starting with INR50 lakhs per month. Eventually that should go up. But we just want to make sure, you know, it's a good customer, everything going smoothly.

**Arun Aradhya:** So when couple of days back, customer from South Africa was here. I already had a meeting with them. And I insisted upon them that we should get 100% payment in advance before the dispatch. And they have agreed for that.

**Arnav Sakhuja:** Okay, sure, thanks for answering my questions.

**Aditya Menon:** Thank you. Thank you, Arnav.

**Moderator:** Thank you, Arnav. [Operator Instructions]. We'll take the next question from Manav Mehta. Please go ahead.

**Manav Mehta:** Thank you for the opportunity, sir. So, sir, I see that this time you have excluded the slide on capacity expansion. Can you throw some light on the CapEx plan and where we are on CapEx that we have guided for division wise that is Bearings, Brakes and Alkop?

**Aditya Menon:** I like to answer last two years we have done around INR30 crore, finished around INR30 crore in CapEx total. So like Mr. Aradhya said, we have already, what do you say, done the most of the CapEx. Now only whatever machinery is required, part specific, when the order is there, only that time we'll have to do. So in CapEx wise, 2026, it's not much, like it's not on a very higher side.

- Arun Aradhya:** So what whatever CapEx that we have done so far as Bi-Metal division is concerned, we have incurred about INR20 crores. In Alkop INR12.5 crores, we are already incurred and additional INR8 crores is being incurred during this year. And in Brakes, we already incurred cost to the extent of INR9 crores and additional INR3 crores on account of equipments for inspection that we're going to procure during this year.
- Aditya Menon:** And we won't need significant amount of CapEx till 2027 and half, like first 2 quarters of 2028. So those revenue values we should be able to achieve with the current CapEx done in all the three plants, all the three divisions.
- Manav Mehta:** Okay, sir. Great. And my another question is, what are you doing to mitigate risk from tariff slowdown? Since we saw some growth in Q1, but again, the growth has softened in Q2.
- Arun Aradhya:** As I already told you that during this month, our export to USA are highest in the history of Menon Bearings and that will continue further.
- Aditya Menon:** October.
- Arun Aradhya:** Continuing the year after also. We don't feel any issues. We will have any with USA.
- Manav Mehta:** Okay, sir. Great. Thank you.
- Arun Aradhya:** Actually, it is on the rise.
- Aditya Menon:** Yeah.
- Manav Mehta:** Great, sir. Thank you and all the best.
- Aditya Menon:** Thank you.
- Moderator:** Thank you, Manav. We'll take the next question from Sagar Shah. Please go ahead.
- Sagar Shah:** Thank you again for the opportunity, sir. My just two questions. Actually, the first question was on brakes business. Brakes business in this quarter also hardly, it's hardly INR1 crore or INR2 crores of revenue that we have earned in this quarter. Actually, INR2.1 crores to be precise. Collectively, H1 we have just clocked around INR4 crores of business actually. And you have guided for almost INR13 crores to INR14 crores of business for this year. And you said that dynamometer

will be coming in the third or maybe even in the fourth quarter. And then the partnership with the railways will come in FY27.

So first of all, this brakes, this will be totally --will this order will be totally led by Bajaj or have you found out some new customers also for this business, sir?

**Arun Aradhya:** Yeah, apart from Bajaj, that will be eventually go up to 3 to 4 lakh of pieces per month. Apart from that business, we have finalized one deal for African countries, so far as brake lining is concerned. And that will be around INR50 lakh per month. And from next month, we will start that business.

**Sagar Shah:** Africa. Okay, okay. So that will be basically on the brakes business side.

**Arun Aradhya:** Yes, yes.

**Aditya Menon:** Aftermarket, yes. Merchant export.

**Sagar Shah:** Aftermarket, merchant export. Okay. Fine, sir. So my next question, sir, was related to the thrust washers, actually. In the thrust washers business, means we have -- I guess we have started the commercial production also.

**Aditya Menon:** Yes.

**Sagar Shah:** So can you highlight some, some features about the business about new customers that you have identified? What is the progress regarding that business? What is the commercial? What is the utilization in that capacity?

**Arun Aradhya:** You see, we have increased the capacity by almost 7 lakh of pieces of washers per month apart from the existing facility. We have already started that business with Allison USA from the month of September. We have already shipped two consignments of washers to Allison USA. And the total volume per year will be around INR30 crores, apart from their existing business.

**Sagar Shah:** But that will be of a lower margin, sir, as compared to our Bi-Metals.

**Arun Aradhya:** Why, why? Who said that that is lower margin?

**Sagar Shah:** Okay. No, no, I'm just asking, sir.

**Aditya Menon:** No, no.

**Arun Aradhya:** No, no, absolutely not.

**Aditya Menon:** It will be similar margins.

**Sagar Shah:** Okay, similar margins.

**Aditya Menon:** Yes. These are confirmed orders. At the same time, our marketing team, like this quarter, last quarter, we are still having prospects. When we tell you those are confirmed orders. They're still like six, seven guys in like -- we are going ahead. We have given sample pricing. They're coming here for audits. We are doing quality check. It's a big process. So we have to get a vendor code. So those processes are going on. We are identifying new players to get from 2027, 2028, what answers we should give you all also. So we have very aggressive marketing also happening, identifying new players. But for us, we are doing high margin. Don't go for any customer.

We go for a very lucrative business. So we're trying to find good players who give us the good rates, where you know, they're focusing on value addition, higher quality. We're not into mass production kind of, you know, we're doing high volume, high value addition parts.

**Arun Aradhya:** Apart from that, from one of the global companies into Menon -- into bearings, we have received as many as more than 800 samples for development from USA. We're skeptical about that. They want that entire aftermarket should be looked after by us so far as USA is concerned.

**Aditya Menon:** And they're one of our big competitors. So we are in -- management is taking the decision. Should we go for it or no?

**Sagar Shah:** Right, sir.

**Aditya Menon:** It's very, it's a call from the management, what they are...

**Arun Aradhya:** The total volume of that business is around INR80 crores. But maybe some part of it we will start, maybe to the tune of INR8 crores to INR10 crores yearly, we can accommodate that.

**Sagar Shah:** Right, sir. Sir, my last question, sir, that is presenting -- or that is there in your investor presentation, that you have basically developed some few components for one of your tractor clients actually, and 50%

approval has already come. And these components, actually, the business is worth INR55 crores. So is it a US based customer or can you highlight about something like some?

**Arun Aradhya:** That is domestic as well as exports. You see, for John Deere also, and for Escorts, and one of the projects of international tractors also, that is Peacock project, TMTL's another project.

**Aditya Menon:** How it happens, Escort also is taken over by Kubota, like, you know, there's joint venture. So there are some orders which they do for India, some orders which they do for Africa, some orders that go to Southeast Asia, European countries. So it's a mixed batch. So companies, escort Indian company, but they are, what do you say, some parts go to the Indian mix, some parts go for the foreign mix. So it's for TMTL International Tractors, it's similar for all these tractor manufacturers. So, it's a mixed bag.

**Sagar Shah:** Sure, sure. I got your point. Thank you. Thank you so much, sir. And all the best, sir. Thank you so much.

**Aditya Menon:** Thank you, Sagar. Yes.

**Moderator:** Thank you, Sagar. Anybody who wishes to ask a question, please use the option of raise hand. Sir, since there are no further questions, would you like to give any closing comment?

**Arun Aradhya:** Yes, with the hope that we should be growing at a rate of between 18% to 20% year-on-year, and we strongly feel about that. Maybe September was a little late, but we will cover up during this quarter as well as in the fourth quarter, and we'll see that we clock a turnover of more than INR280 crores to INR290 crores with EBITDA margins about 19% to 20%, 18% to 20%. And similarly, we hope that margins in the next year will be more than 20%, and we're absolutely sure about that unless something drastically negative happens.

And thank you for that. And also, I request many of you to come and visit our plants. We are having five plants, three plants in Gokul Shirgaon, MIDC and two plants in a Five Star MIDC that is Kagal. You are all welcome and thank you for joining us. And we look forward for your visit to our facilities in near future. Thank you, everybody.

**Moderator:** Thank you to the management team, and thank you to all the participants for joining on this call. This brings us to the end of this conference call. Thank you.

**Arun Aradhye:** Thank you.