

November 18, 2025

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 530367	National Stock Exchange of India Limited Exchange Plaza, C-1, Block - G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: NRBBEARING
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Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Earnings Call Transcript

Dear: Sir/Madam,

This is further to our intimation dated November 7, 2025 w.r.t Earnings Conference call with Analysts/Investors on the Unaudited Standalone and Consolidated Financial Results of the Company for Q2FY26.

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Earnings Conference Call Transcript held with Analysts/Investors on Wednesday, November 12, 2025 at 02:30 PM (IST).

Copy of the same is also being made available on the website of the Company at <https://www.nrbbearings.com/>

Please take the same on record.

Thanking you,
For NRB BEARINGS LIMITED

Khyati Danani
Company Secretary & Compliance Officer
Membership no. A21844



“NRB Bearings Limited Q2 FY '26 Earnings Conference Call”

November 12, 2025



**MANAGEMENT: MS. HARSHBEENA ZAVERI – VICE CHAIRMAN AND
MANAGING DIRECTOR, NRB BEARINGS LIMITED**



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Moderator: Ladies and gentlemen, good day, and welcome to the NRB Bearings Q2 FY '26 Earnings Conference Call.

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

I now hand the conference over to Mr. Diwakar Pingle from Ernst & Young. Thank you, and over to you, sir.

Diwakar Pingle: Good afternoon to all the participants on this call.

Before we proceed to the call, let me remind you that the discussions may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors, must be viewed in conjunction with our business risks that would cause future result, performance or achievement to differ significantly from what is expressed or implied to such forward-looking statements.

Please note that we have mailed the results and the same is available on the company's website. In case you have not received the same, you can write to us and we will be happy to send the same over to you.

To take us through the results and answer your questions today, we have the top management of NRB Bearings Limited, represented by Ms. Harshbeena Zaveri - Vice Chairman and Managing Director, and other top members of the management.

We will start the call with a brief overview of the quarter gone fast and then conduct a Q&A session.

With that said, I will now hand over the call to Ms. Harshbeena Zaveri. Over to you, ma'am.

Harshbeena Zaveri: Thank you so much, Diwakar. Good afternoon to all the investors who have logged in to the call.

My name is Harshbeena Sahney Zaveri, and I am the Vice Chairman and Managing Director of NRB Bearings. And it gives me great pleasure to be talking to you today. Some of you are existing investors, and I absolutely am delighted to connect with you also on our first earnings call ever.

I will be taking you through the results of our Q2 and our half year for this year and run you through a look back and a look forward update of NRB Bearings Limited. I would like to begin by acknowledging that we are doing something quite different this afternoon from what you are



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accustomed to. And I owe you an explanation for why this earnings call is taking a different format.

A few weeks ago, I was reviewing our interactions with investors before the quiet period began. And whether it was face-to-face meetings or on calls, I noticed a pattern of questions. I really didn't want a boring investor conference. And instead, I wanted to address head-on some of the key issues that seem to be on the mind of most of the investors that I have met and spoken to.

So, we brainstormed my CFO, a few of our Board members, and I asked them, what if we cut to the chase? What if I spend our time together with investors and potential investors answering the questions that we know are on your mind. The ones that we hear many investors in meetings ask us. The ones that are lighting up on our inboxes.

What we are doing today, instead of prepared remarks that repeat what is in the press release or mirror what you have heard before about NRB, is that we are going to pose questions to ourselves that we believe you are asking and answer them directly. Think of it as us doing the question-and-answer sessions with ourselves. But at the back end, you have hundreds of conversations that we have had over the past two quarters with some of you.

Now here is our promise. These are not softball questions. We are going to tackle the uncomfortable questions too. Why has our growth been slow despite the leadership position and our market share in products that we excel at? How will all the new areas contribute to the growth? Is all this likely to reach up to the aspirational goal that I shared in my AGM speech? Are we worried about the new competitive dynamics?

We are going right in there. And of course, after we work through the questions we have anticipated, we will open it to your questions, the ones we didn't think of, the ones where you want to go deeper. We are trying this because we respect your time and also know that you are all extremely sophisticated. You don't need us reading a PowerPoint to you. You need clarity, context, and candor. We will upload a PowerPoint that covers a major proportion of what we are talking about. But we really want to give you candor on what is actually driving our business. So, let's get started.

The first question I am putting to myself is,

How should we look at NRB Bearings Limited for the medium to the long term? What strategies does the management have to move to the next orbit?

NRB has been the leader in the manufacture of cylindrical roller bearings, over 30% market share by value and 50% by volume. In the needle roller market, we have 60% market share as a group in India. NRB products power more than 90% of the vehicles on Indian roads. That means that at least 90% of the vehicles have at least one bearing from us.



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The customer list includes the key players in the domestic two-wheeler, four-wheeler, passenger vehicle, and commercial vehicle segment, and the ancillaries. Honda, Hero, TVS, Bajaj, Royal Enfield, Maruti, Tata, both Hyundai and Kia through their subsidiaries, the multi-utility and broad range manufacturer Mahindra, Eicher, Ashok Leyland, and all their ancillary suppliers, and many other related interesting areas of business such as air conditioning compressors, and the like. Almost all international majors run on NRB Bearings.

Now I am talking about global companies in their home countries. We actually supplying to 43 countries. From design to delivery, NRB supplies Daimler, Mazda, Renault and Volvo, Magna, ZF, BorgWarner, Dana, Stellantis, and many others. These are leaders in ICE, EV and hybrid applications. You have the award-winning supplier, NRB, to Meritor, which is the global leader in conventional and e-axels.

The revenue between domestic and international business is split approximately 70-30. Within the automotive segment, the products are predominantly EV agnostic, with strong positioning across ICE, hybrid, and EV new launch platforms.

When I say EV agnostic, which is a term that I have actually coined myself, it means that our products will continue to prevail because these global leaders have come up with a common platform for the next generation launch in which we are significant players that are going to be in the vehicle irrespective of whether it is the next generation Ice, hybrid, or EV. Fundamentally, we are focusing on next-generation friction solutions for global tier ones and the top OEMs in the world.

In the domestic automotive segment, we are adding path-breaking and high-entry barrier products, which are currently being imported. Incidentally, this is our strategy, also for industrial customers. Many of you wonder why we haven't entered the industrial segment. We will soon be answering that question, too.

While many of the products that are included in the portfolio of multinational bearing suppliers who are present in India and show in their sales, these are, in fact, imported. The reason we can replace these is that technological development and disruptive innovation, which is the core of our backbone, is constantly taking place at our R&D center.

This takes me to the next question that has often been posed to me by some of you. Can you comment on the settlement between the promoter groups?

Let me explain. Under the agreement effect this February, the Harshbeena Zaveri family, my family, and the promoters who are very closely associated with me, have total control and ownership of over 50% of NRB Bearings Limited. Just me and my immediate family have over 50%, and the other promoters who, as I mentioned, are extremely close and affiliated to me, we together own 51.2% of NRB.



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A clarification on our ownership of the NRB brand name and the right to use it, all kinds of logos, future, past and present, belong to NRB Bearings Limited. The red logo that NRB Industrial and the family which moved out, based on the settlement, has a right to use is specific. It is three shades of red.

This NRB Industrial Bearings logo, which is used by NIBL, owned and controlled by Devesh Singh Sahney and/or his daughter, can continue to have this and use it as long as he and or his daughter are in control or own the company. This logo along with the name NRB at the start of NRB Industrial Bearings Limited reverts to NRB if there is any change of ownership in the broadest sense of that definition.

This was an agreement that NRB Bearings signed with NIBL. And it also includes other aspects like non-solicitation of employees between the groups. And they also handed over that part of the heritage building, our headquarters, that they occupied. This was important to NRB as the building holds substantial value. As part of a one-time settlement, NRB Bearings Limited paid INR 55 crore of compensation for this. This was a one-off payment made in Q4 '25, which explains the exceptional one-time loss at the net quarter level, whereas the operational profits were actually very, very, very positive.

Another question now. What explains the modest CAGR in revenues between 22 and 25? And when I say 25, actually the revenues came back at the last quarter of FY '25. This was due to a fire. We had a very large fire in one of our most important plants in Waluj. And that burnt down certain specific lines, but it also damaged our stores, which held most of our two-wheeler WIP in production.

In fact, we had not yet entered the industrial friction solution space. But when you look at the impact that the fire had, the two-wheeler industry grew substantially during those two years, and we were unable to supply them because we did not want to take any chance with the components that were damaged with fire.

Secondly, of course, the line itself could not produce till we replaced all the machines and brought them back, bought them from high quality overseas suppliers of the same caliber that we had first set them up with. It is important to note that all this is covered by insurance, very, very high caliber insurance. And that is one of the reasons that you kept seeing exceptional gains on and off also in the P&L.

The important thing is that now, not only are we clearly able to use our capacity for all different segments in the automotive space, but post the settlement, we are also increasingly supplying to the industrial segment.



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I forgot to clarify one thing in the first question I posed. Sorry, the second question I posed to myself. Post the settlement, my holding, is down to zero in NIBL. And that family has zero holdings as well in NRB Bearings Limited.

Now, we have ventured into industrial and other adjacent areas of growth. The financial performance over the previous 2.5 financial years was impacted by the fire in summary. And we went back to full capacity in the last quarter of 2024. And now, as you can see, with the growth in both segments, automotive and the industrial that we're adding to, our sales have started increasing while we have maintained, and at some level, even improved our EBITDA margins.

What are the new areas for growth that the company is planning? Well, it is the next question that I was often asked. There are multiple growth levers that NRB will be pressing on to usher in our new phase of growth.

In the mobility segment, we continue to be a technology leader. The proof lies in our order book. We have secured orders for the production lifecycle of a vehicle, what is known in our industry as lifetime-nominated business, worth over INR 600 crores, from global Tier 1s in the international market and from direct OEMs that we supply.

This includes new launches for advanced hybrid and EV platforms for BMW, Renault, Stellantis, Mercedes-Benz, prestigious electric three-wheeler programs for Stellantis, to name a few. These nominations are the result of our black box design capabilities and R&D prowess and competitive manufacturing capabilities.

Our products have already powered the next generation of E-Drive of Mercedes-Benz for the EQC, EQA platforms, for all electric and premium cars that they make, along with a very wide range of BMW models. The 1, 2, 3 Series, the X1, the X2. In the truck industry, the Ford F line-up pickup truck, and literally every model of Hyundai, Kia, Jeep, Foton, Daimler, and Paccar trucks.

As explained, NRB grows faster than the industry by expanding its market share in existing vehicles or applications. Then we add new products. Further, we do advanced engineering solutions for the next generation platforms and for improvement in those vehicles and applications that we are already present. All this is going to lead us to higher than industry growth. On top of that, you need to layer what we are expanding into.

NRB was once the widest range manufacturer of bearings in the India pre-demerger. Post this settlement, the company is moving closer and closer to regaining that space. We are doing this by building capacities, diversifying into a broad range of bearings and allied products, and undertaking strategic moves. This will together propel our growth towards our aspirational goal of NRB at INR 2,500 crores by 2031.



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The aerospace segment is an additional focus area that we are going to add in. We are in an advanced stage of finalizing an agreement to acquire an aerospace supplier to speed up this process. We have already engineered plain spherical bearings. And NRB has a best-in-class plant under construction as part of an earlier plan to cater to the aerospace industry.

The reason we are considering this acquisition is to speed up the certification process, which would otherwise take 3.5 years. Add to this, another plant that we are setting up in our Waluj facility specifically for aerospace. All these initiatives position us uniquely to address new areas of growth, apart from solidifying the automotive segment, where we already are a market leader.

How is the CAPEX plan to address the above growth opportunities? It is an often-asked question. Our Board has already approved INR 200 crores, and this information is in the public domain as a disclosure. Out of the INR 200 crores, approximately INR 50 crores is allocated to investments in a new building and upgrading existing buildings. It is very important that we have adequate space for all the capacities that we are planning to build in, including joint ventures that are on the anvil.

We are planning an additional CAPEX of INR 250 crores to INR 300 crores, which will be deployed in stages over the next five years, as soon as the first INR 200 crores starts coming in. A roadmap is being solidified, which will take our total CAPEX to INR 500 crores and enable us to address the order book for future years in hand.

This order book, what I mentioned earlier, Lifetime Nominations, keeps growing. We are just giving you a status of what we already have in hand. As time moves, the Lifetime Nominations, the value of which is INR 600 crores for international business and INR 150 crores for Indian business, totaling INR 750 crores, is over and above the increases of the existing platform that we supply to.

The reason that the international business is INR 600 crores and the Indian business is INR 150 crores, because the international companies have a very long planning process that they put in place, three to four years before the actual launch, whereas Indian companies tend to have a very short launch time.

The CAPEX plan will not only scale our cylindrical needle taper roller bearings and ball bearing capacities and all the special bearings that we make, it will also expand our size range, enabling us to enter hitherto unaddressed applications in the industrial segments.

How do we intend to fund the CAPEX expansion? Given that our debt-equity ratio is under 20%, you can see that we have preserved huge cash reserves and have borrowing ability which ensures that CAPEX is not going to be an issue at all. Apart from that, we also have substantial real estate that shows up at book value.



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The next question. We have heard that NRB has an extremely risk-mitigated strategy. Can you explain this in more detail to us? In fact, apart from our R&D prowess, this is considered our second most critical differentiator by key investors who are already at NRB. No single customer has more than 10% of our sales. And the top 10 customers comprise 50%. The ranking of these customers changes year-on-year, depending on how they perform in the market. But the important thing is that not only are we risk mitigated in terms of the number of customers, in terms of the segment that they come from, But also in terms of dependence on each of them.

Within the automotive segment, approximately 30% to 35% of our sales come from two and three wheelers. Another 30% to 35% comes from the CV segment globally, where we are one of the strongest players in the world. After that, you have the PV segment and its ancillaries. There we focus more on the higher volume or the very high value players. And this along with the ancillaries comprises close to 20%.

Our industrial segment is now moving closer and closer to the 20% mark as well. All these various segments are also served by the replacement market, but we have taken the count in the end product that they serve for the HL.

Fundamental point is that such a risk-mitigated strategy is extremely unusual in our industry, and this is not a new strategy. This is one of our traditional strengths. And that is why our financial performance, other than the years where there has been some problem, like the fire that I mentioned, has typically led to outperformance versus peers.

Overall, as I explained, we have an exceedingly risk-mitigated approach. We are in the process of formulating a high-growth strategy to follow our international customers. Can you share more about that with us? Well, we are globalizing our manufacturing footprint. This is part of our aggressive plan to diversify geographically, add new products, and serve new segments, riding on our R&D and our applications engineering presence, which is in Europe and the U.S. and ASEAN, close to the heart of global innovation.

Our Thailand facility has already demonstrated how NRB can succeed in diverse geographies. It is one of our most efficient plans. The cost structure is very similar to our Indian cost structure, which means that we can be successful at setting up plants in new, uncharted locations and do it competitively. Thailand has helped us, thanks to its strategic location, with marquee Japanese and Korean customers. Thailand is not an assembly operation. Unlike many auto component and bearing companies, NRB decided to manufacture components based on a local manufacturing program. This will hold us in good stead, tariffs or no tariffs?

The world of mobility is in the midst of unprecedented transformation. ICE, hybrid, and EVs are all coexisting in a complex ecosystem. There is widespread speculation on which technology will dominate, and more importantly, the timing of these technologies and whether they will converge or diverge.



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NRB strategy is clear. We remain technology agnostic and are developing products, applications, and are addressing all of the above. We are deeply entrenched in this philosophy. Whether it is an electronic steering system, an e-axle, a next-generation transmission, or whether mobility moves to drones, whether our work gets done by robots, NRB is present in all these applications across platforms, irrespective of what will prevail. Our products coexist in all, and we are increasingly dominating in high-end applications which are identical across different domains.

What do you feel are some of NRB's greatest strengths? To be honest, I believe employees are our biggest strength. And we remain and work very hard at being an employer of choice. Demographics is extremely important. Your company should mirror the country itself and the consumers in the marketplace. More than 40% of our workforce is below the age of 33 years. This is the sign of a young and vibrant organization.

Quality is our hallmark. And hence, we focus not just on caliber of machines, infrastructure, the way our plants are laid out, the way our processes move, robotic lines, and our R&D and our manufacturing technology is actually completely interlinked because you cannot isolate product design from delivery. We try very hard to stay ahead of the curve when it comes to innovating with new products and new applications. And our customer list showcases our success.

NRB's focus is on businesses where the entry barriers are high. We choose the world's most difficult customers when we enter a particular segment. And we have historically been extremely successful and continue to this day. Our margins tell the story. Our philosophy is to get into businesses that are hard to get into because these are businesses which are hard or impossible to lose.

With that, I have come to the end of my Q&A. Fortunately, we were asked so many questions that it was easy for us to put these questions together. It is possible that I have missed some of the things that are top of mind for you. And I look forward to hearing more from you. And I thank you very much for listening. We look forward to delivering strong results quarter after quarter and answer not just the questions but also reach the expectations of our investors.

With that, I come to a close, and I hand this back.

Moderator:

Thank you. We will now begin the question-and-answer session. The first question is from the line of Mr. Lakshminarayanan Ganapathi from Tunga Investments. Please go ahead.

L. Ganapathi:

Good to see that the team NRB has delivered a consistent performance in the last two quarters despite a volatile industry scenario. And it is good to see a conference call being held. And I hope that on a quarterly basis, at least we have some kind of information that communication from the management. That will be quick feedback.



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Now, I have a couple of questions. Just want to understand from a CAPEX point of view, you mentioned that there is a INR 200 crore plan, and then you also augmented it with another INR 300 crore subsequently. So, from a near-term point of view, just want to understand what is the CAPEX guidance for the current year? We spent, I think, INR 43 crores after the cash flow statement and also, I could see a work in progress in the balance sheet of around INR 37 crores. I just want to understand the CAPEX guidance for this year. And around that, I also want to understand what is the typical maintenance CAPEX we do in general for NRB. And again, on the CAPEX itself, there is an outlay of INR 200 crores. Now, this INR 200 crores, does it exclude the one which you are actually doing this year? Or when does it start?

If you can just give some communication in terms of, if possible, on how many years it will get spent. And you mentioned INR 60 crores on buildings. Just it will be helpful to know that from a CAPEX point of view.

Harshbeena Zaveri: Thank you for your question. To respond, we spent about INR 150 cores on a consolidated basis. Roughly INR 50 crores was for capacity enhancement and optimization, and another INR 40 crores to INR 50 crores was directed towards maintenance and safety. We also invested around INR 35 crores for expansion of our plants and upgradation. In Thailand, the investment was around INR 15 crores.

L. Ganapathi: So, you are talking about what, this year?

Harshbeena Zaveri: Yes, for FY '26.

L. Ganapathi: Yes, so the outlay for this year is INR 150 crores. That is what you are saying?

Harshbeena Zaveri: No. We tend to spend approximately 10% to 12% every year in a combination of R&D linked with manufacturing expenditure. That is NRB's normal way. Because otherwise, how would we keep our lines balanced? How would we add critical, I would say, machines to those areas where we are seeing an enhanced demand? Because you cannot completely predict.

So, NRB doesn't have a pure big bang approach where we go and put INR 400 crores - INR 500 crores at one shot and then we go around looking for customers. We are constantly expanding capacity in those lines where we see a demand pattern.

L. Ganapathi: The second question is on the planned CAPEX outlay of INR 200 crores. When is this expected to start, over what period would you actually invest? And what is the revenue potential for this new CAPEX, whenever it is achieved fully?

Harshbeena Zaveri: We are spending approximately INR 60-odd crores on building and infrastructure. The foundation stone for the Hyderabad plant, which is INR 200 crores expansion, focused on industrial cylindrical roller bearing capacity, specifically, which is, for the most part, import



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substitution. Because even though there is a lot of sale of industrial cylindrical roller bearings in India, most of our competitors import and sell that. And we are going to make it right here. That is the foundation stone that is going to be laid on 4th of December, which is my father's birthday in Hyderabad, and our Founder's Day.

The other projects has already begun in small phases, but most of the expenditure for the Jalna plant and the Pantnagar plant upgradation will happen over the next 3 months. It will kick off in a big way, and will be completed over the next 12-month period. And that, we will be getting our machines in. The machines are being ordered right now from across the world, top quality equipment, which has traditionally been our strength. By Q1, FY '28 capacities will be in place, and we will start ramping up.

But what is going to happen, as I explained, is that by the time one starts producing, we will already be well placed six months to eight months before that, with the next phase kicking in, in terms of its start.

L. Ganapathi:

What will be revenue potential?

Harshbeena Zaveri:

The capacity generation in terms of revenue and sales will be approximately INR 150 crores, because as I said, INR 50 crores will actually go into infrastructure. But then keep in mind that when we go with the next phase, we already have some of these buildings in place.

I hope I answered the question and didn't miss anything.

Moderator:

The next question is from the line of Mr. Raghunandhan from Nuvama Research. Please go ahead.

Raghunandhan:

Congratulations, ma'am, on strong performance. 21% earnings growth in first half is extremely good, given the circumstances. And thank you so much for the innovative and insightful Q&A session.

First question, ma'am, on the Q2 standalone revenue which has come in at INR 291 crore, can you provide an approximate mix of domestic OEM, aftermarket, and exports? And what has been the growth in each category on Y-o-Y basis?

Harshbeena Zaveri:

As I mentioned, it would be around 33% to 35% for the two-wheeler industry, a. And for the commercial vehicle industry it is around it would be 28% to 29%, given that because the Indian CV industry is not doing well although. But the global industry is okay. And then, one second. I actually do have a document for this

The replacement market is approximately 15% for this quarter. And the exports is 25%. You want it for the specific quarter, right?



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- Raghunandhan:** Yes, ma'am. Absolutely.
- Harshbeena Zaveri:** One of the things to note is that when we look at standalone and when we look at our consolidated, the export is done basically on transfer pricing as calculated by international transfer pricing experts at arm's length. So, some of the revenue is actually booked in the international entities. So, what I will give you is the entire breakup and that will give you an idea. But to exactly tell you entity-wise would be complex, okay?
- So, let me tell you that for the half-year, will half-year work for you? Because these numbers don't change every day. So, we tend to track them on a half-year basis. Is that acceptable? Because I can give you very accurate.
- Raghunandhan:** Yes, ma'am, absolutely.
- Harshbeena Zaveri:** On consolidated level, 31% was two, three-wheelers, 15% was industrial, 11 point something, let's say almost 12% was aftermarket. And the passenger vehicle segment was 17%. And the CV was the balance between 26% to 29%. As you can see, it is very risk mitigated.
- One of the interesting things is, while we do believe in being in the aftermarket, our profitability is not very different between all these different segments. That is extremely unusual, but a fact.
- Raghunandhan:** This is very useful. One clarification. **PAT Margin** I remember it was around 10% for Q2. Has it gone up to 12% in Q2 this time around?
- Harshbeena Zaveri:** Yes, it is. That's correct.
- Raghunandhan:** And my second question is on return on equity, ROE. Last year, company had 15% ROE. Given that you have a huge target in mind of INR 2,500 crores, what ROE would you be happy with?
- Harshbeena Zaveri:** I think that we would be happy with 17% to 18%.
- Moderator:** The next question is from the line of Mr. Viraj from SiMPL. Please go ahead.
- Viraj:** Just two questions. First is on the foray in the industrial business. See, if you look at the marketplace, you know, it is dominated by the MNCs who have a very strong brand recall and large portfolio coverage. When we are now looking at our play in industry, what are the strengths on which we are kind of looking to play into the right to win? And if you can extend this by talking a bit more on the brand recall of NRB and the synergies we would have on the distribution side for the automotive.
- So, the question is, what are the strengths on which we are looking to play and scale up in the industrial business?



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Harshbeena Zaveri:

So, basically, as you know, our entire approach is to focus on high-margin, high-entry barrier industries. Okay? What we did in OEMs is what we will replicate in the industrial market. So, which are these markets exactly? I think that is what your question is trying to gauge, right? We consider off-highway and construction equipment an extremely fast-growing and very quality-driven segment. So, we have a huge focus to enter this segment.

The other is, essentially, sunrise industries. Because sunrise industries like robotics, automation, drones, we even are serving humanoid and robots themselves. That is a different kind of mobility, even though it falls in the industrial segment. Then medium to large size industrial gearboxes. Now, if you notice, these are strengths we have already demonstrated in the mobility space. And some of the industrial applications are actually in mobility. So, they overlap what we have already done.

I will give you an example. I won't name them. But the top three aerospace companies in the world are increasingly planning to move to India. Some of them are moving by choice. Some of them are moving because it is linked to the supplies of the aircraft that they are going to make for the Indian industry. And we have been identified by them as a high-quality supplier that is supplying Magna, that is supplying ZF, that's supplying Daimler. We supply Graziano and that goes to Maserati and Lamborghini.

So, when they see a company that is supplying, not just now, but is even designing for the next generation of the most highly powered automotive applications, they identify us as a potential source. And post the settlement, we have moved very quickly to close all the RFQs that we actually received, which means requests for quotes and inquiries that we received in the last three years. And that is the reason why we could show so much industrial growth.

I will give you a specific example. For the aerospace industry, we have already designed spherical bearings in our engineering center. Now it is just a matter of putting it together and getting the actual business in. So, you can see this is the reason we are confident in spite of the double-digit growth that we are promising you will come up within the next, let's say, two to three quarters. We will move into that phase, we confidently seal. But we are not saying that our growth will come at the expense of margin, which is typically how automotive suppliers grow. It is because of bringing in these kinds of products into our product mix, which will help us maintain our margins.

So, there are two points here to summarize. NRB is one of the rare companies that is predominantly in the automotive component space that has margins that typically companies which are not in automotive have. That shows you that we have a very strong differentiated, high quality, highly engineered product base. The price that somebody pays for our product is not material cost multiplied by XYZ. It has a whole element of working with a company that can engineer a solution that only global players, MNCs can typically give. And we are going to follow the same model in industrial. Did that answer your question?



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Viraj: Yes, just one question on this. See, in industrial, if you look at the marketplace, there are many companies who primarily trade, they import and they cater to the local market. Given the market is quite small and there are many applications, so in that sense, when we are looking at industrial marketplace, how many of that markets are viable for us? And how are we allowing our cost structure? Because auto requires a more batch processing, continuous processing, whereas industrial is more like a batch processing, right? So, just on these two fronts, if you can just give some color, how are we going about it?

Harshbeena Zaveri: So, here is a little bit of a paradox. For large players, the kind of companies that our competitors are, they like to make a part number and make it in millions. That is a methodology. It is a way of manufacturing. It does not mean that that is the way to make money.

Our DNA is completely different. I usually get the opposite question in the old days, okay, from analysts, that why don't the global players enter needle roller bearings, since it is so profitable? Okay? Well, needle roller bearings, which was the first product we made, by its very nature, is a customized solution. You go and pick up a ball bearing from any shop and put it into your application or your vehicle. You want to just go and pick up something standard.

But if you want to make a high-quality, differentiated product, or even if you are making a normal product, there are some places where a ball bearing doesn't fit, where there is a space constraint, and you go for a needle bearing. When the load rating that you need is high and the space is less, you go for a needle bearing. That means that every single product that NRB first started making was customized. That means that we have a methodology which specially designs products very competitively.

It is not necessarily less suitable for us to make lower volumes. We are a batch production company. That means we don't use one line to just produce the same thing all year. We design our entire line in such a different way that you can very quickly tool it up to take different sizes. Some of the sizes we make, we make them in millions, okay? And some of them, we make them in hundreds. When we make them in hundreds, we get the price difference. We make roughly the same margin for all. You get my point?

On the other hand, our DNA is what we call mass customization. From R&D to design to delivery, NRB is able to make high volume and low volume, both competitively. So, we are actually ideally suited for the kind of market you are talking about.

The second point I would like to iterate, it is a misconception that the industrial market doesn't have high volumes. It is a matter of what you are talking about and what you mean by high volumes. Industrial gearboxes, HVAC systems, Off-highway equipment doesn't have lower volumes than the vehicles we sell into. For example, NRB supplies to BMW and Mercedes. The volumes of BMW and Mercedes are much lower than the volumes of VW.



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We supply Audi instead of VW. It is very interesting. All the engineering for VW is done by Audi. Okay? Once they finish designing it, they roll out the same thing in high volume. We may or may not choose to supply the high-volume market if it is more profitable for us. We just design something new.

Because the other point I want to make is international companies spend 10% of their revenue on R&D. Our R&D is extremely competitive. We get a much stronger result spending infinitely less.

Moderator: The next question is from the line of Mr. Ritesh from Girik Capital. Please go ahead.

Ritesh: I just have two questions. One, when there is this diversification into robotics, aerospace, defense and next-gen mobility technologies, is it with the existing products or will there be new products? And if there are new products, what kind of manufacturing capabilities do we need to develop?

Harshbeena Zaveri: It's actually both. We are adding new products for automotive, and we are adding new products also for industrial. But I can assure you that our core products have a huge industrial market. For example, cylindrical roller bearings. As I explained to you, we are adding a whole 100 crores investment for roughly INR 85 crores of sales of industrial bearings, which are cylindrical roller bearings. It is the same product we make. It is just going to be slightly different specifications, and that is what our R&D excels at. Does that answer your question?

Ritesh: Yes, ma'am. Second, on NRB Holdings Limited, which is registered with the Dubai International Finance Center, what is the purpose of registering with the DIFC and what kind of advantage that brings to us?

Harshbeena Zaveri: So, there is two reasons. One predominant reason is we had NRB Thailand, NRB USA, NRB Germany, and people in India were struggling to understand the compliance, the entire method of taxation and all kinds of sort of issues which when you are sitting in India and trying to work with them. We felt that if you bring, and plus you are adding people in different, different sales and in, for example, legal and finance and all that to understand. It is a very expensive cost structure that typically most companies that go abroad use.

We said that if you amalgamate all this and bring it under one holding company and this entire thing becomes one group, one manufacturing entity in Thailand, sales entity in the U.S. which can become a made in USA platform for future, and a sales entity in Germany which can also consider whether the geopolitical reasons are there to manufacture or not over there under an entity in a finance center which is one of the most sophisticated finance centers.

To tell you very honestly, we were considering extremely openly, open-mindedly Singapore. And DIFC and we were considering also Netherlands. And all the calculations that we did and



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the familiarity, the close to India, the comfort that Indians have, it is our largest trading partner, the availability of people.

Also when we hire international people, for example, if we take bearing designer in Germany or Japan, they are very happy to come and live in Dubai. And it allows us to do three things. One of the things that allows us to amalgamate our holding companies, it makes our finances very easy to understand, right? It makes us very transparent, which is one of the key aspects of NRB's hallmark. You know, financial conservatism and transparency.

The other advantage that we found is it is very important as you grow, because NRB is a multinational, right? So, we are Indian, multinational, located all over the world. One of those, I would say, rare companies in that space. So, it was also important for us to hire people from all different nationalities and attract them, and make them part of one group.

The NRB Group has 220, almost, international employees, okay, which is substantial, when you think of it. It brings a totally global culture into our headquarters also. Something like the Aditya Birla Group has at a very much grandeur scale, but a similar cultural, I would say, mix, which makes us much more future ready for the next big opportunity or challenge in the world.

The other important thing to consider is we felt it is very important to have identical practices, procedures, values, IT systems, HR systems, financial prudence, across. So, the DIFC company ensures that all parts of NRB, from the parent company to the smaller subsidiary, have a similar culture, similar values, similar policies, and similar principles. Fundamentally, we believe this leads to accelerated growth. It cuts down the bureaucracy and allows us to grow much faster.

Ritesh: That's about my question.

Moderator: The next question is from the line of Mr. Paresh from Club Millionaire Financial Services Private Limited. Please go ahead, sir.

Paresh: Mrs. Zaveri, first and foremost, congratulations on building a world-class firm and building a very strong culture in NRB. Most of my questions have been answered, but pending one, which is with regard to the inventory days. Over the last 10 years, the inventory days have gone up by almost 50% for about 350 days.

I know in your earlier presentation of June '25, you alluded to how you are planning to bring down the working capital as well as the inventory. So, just your thoughts on what could be typical inventory days going forward on a longer term basis. And on the similar note, you know, in terms of the cash transition cycle has also gone up. So, your thoughts on both of these aspects?

Harshbeena Zaveri: So, there are two points here. One, do we tend to carry higher inventory overall compared to the competition? Yes. The profitability that we have also has at its base the fact that we are 70% to



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100% supplier to a significant proportion of our customers. That means that they buy more products from us likely than from the competition in terms of sheer number of products, and that we have a higher market share than competitors have at each of those companies. In exchange, they expect us in a very uncertain world to hold more inventory. So, that is the first point.

But the second point is, should it be so high? Not at all. There is no question that it shouldn't be so high. How did it become so high? First, the trend started in COVID. After COVID, we actually brought it down. Post-COVID, we had the fire. When we had the fire, a lot of the inventory that was held was actually being checked and rechecked by the insurance company. But at the same time, we had to generate completely new inventory. Otherwise, we could not get the confidence of the two-wheeler industry to actually be able to supply them and come back. So, we lost that business and we had to take it back, right? Keep that in mind.

Post a fire, to give confidence to our customer, we had to build up fairly huge inventory. When you consider that in the Indian market, it is almost 35% of our sales that comes from this industry. And this industry required us because we are the world's number one supplier for the two-wheeler industry. That means the number of products that we supply per vehicle is significant. For all that, we have to hold inventory.

What they also told us, they want us to duplicate capacities. And till the capacities are duplicated, which actually worked in our favor. I will just come to you and explain to you why. Till the capacities are duplicated, they wanted us to hold very high inventories. These inventories are still being reduced step by step.

In the meantime, you have this sudden tariff situation. So, we are holding some excess inventories for America. That is also a fact in our whole system. Two things are happening. One, we have recently seen irrespective of whether tariff has happened or not, some of those companies are just sort of forced to buy from us because we are 100% supplier in spite of the tariffs. And they are even, like, absorbing the tariffs. But, again, we see this coming down because either we are learning to live with the tariffs or the tariffs will go away. And then the inventory will be depleted very, very quickly.

Now, the third aspect to this is that when we put in duplicated capacities, which we have done to some extent and which we are putting in right now at one other plant, so what they want is at least one other plant should have the capacity for the same product in case there is a natural disaster. Luckily, GST happened. So, some of this is helping us, in fact, increase our sales and deplete our capacity. Sorry, deplete our inventory.

So, the short answer to that is, these are the reasons why we have more. Will we have more than our competition? Yes. Will we have as much inventory as we have today? No. It will come down step by step, but it will not come down to the level of our competitors. Because our margins are linked to this and our share of business, and what we call stickiness is linked to this. You know



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what I mean by stickiness? How sticky the customer is? How hard the customer finds to go to somebody else, is all linked to this, which results in prices and margins.

Moderator: We will move on to the next question. The next question is from the line of Mr. Shreyans from SG Securities. Please go ahead.

Shreyans: Good afternoon, Harshbeena ma'am. I had a few questions. The first one was on the initial remarks that you had on the expansion that we are looking at. So, the INR 2,500 crore target in FY '31, so if I just look at the CAGR, it comes to like around 13%. So, based on what you said, do you think that is kind of a conservative number? Because based on the industrial expansion and the CAPEX and everything that we have got, I feel like it might be slightly on the lower end, given that the domestic industry itself is growing 7%, 8% or so.

Harshbeena Zaveri: I am going to ask you to wait and watch. I tend to be conservative as a personality, and you can see financially we are very conservative. We actually spent all these years that we were doing this settlement also conserving cash so that as soon as we could enter the industrial market, we can do everything and anything that we want, right? How many companies do you know with less than , 19% debt-equity, right? Now we can deploy all that money into expansion, into JVs, into plug-and-play acquisitions, what I explained to you, not big ticket acquisitions, because we don't need to acquire and risk anything. But we are a AA minus Crisil -rated company. So, thick and thin, right? So, you have to take my numbers with that in mind. Does that answer your question?

Shreyans: Yes. That's helpful. Second was on the acquisition that you mentioned. So, that was aerospace related. What kind of size are we looking at in terms of acquisition? And would that be over and above the CAPEX plans that you have spoke about?

Harshbeena Zaveri: Yes, it is over and above the CAPEX plan. But what exactly it is, you will have to wait and watch, right? But again, as I said, we are not doing any big ticket acquisitions. We are doing acquisitions to speed up INR 2,500 crores or more. You get my point?

Shreyans: So, it would be a smaller size...

Harshbeena Zaveri: Fundamentally, it will be products that are listed as aerospace engines. It will be products that may be similar to the plane spherical bearings that we have made, like rod end bearings or something. And it would be probably and possibly what all of the Indian industry supplies into, which is HAL, right? All of Indian industry today supplies into HAL. But HAL is already an existing customer of NRB. So, it is very easy for us to start with a bigger quantity.

All these initiatives we are talking about are like INR 50 crores to INR 75 crores, I mean, just to give you a rough number. It is not going to be INR 100 crores or INR 200 crores or something



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like that. If I ever actually found such an opportunity, which I am not looking for, then we would probably sell our headquarters to fund that.

So, I think funding is not an issue. That is one point. Earning back from this faster and reaching our aspirational goal and securing the aspirational goal or making it higher, depending on how any of these things pan out, is really the intention.

Moderator:

The next question is from the line of Mr. Namit Arora from Indgrowth Capital Advisors LLP. Please go ahead.

Namit Arora:

Thank you for setting up this call. It is a great initiative. And thank you for very detailed open comments and responses to questions. They have been very helpful.

I just have two quick questions. One was your views on the competitive landscape. There are a fairly large number of companies in India. There are companies globally. But in your view, which are a couple of companies that you sort of respect as peers or potential role models? Just some thoughts on that.

And my second question was on organic R&D effort. I understand the focus of acquisitions, etc. But from a longer-term perspective, three to five years may be even longer, are there any capability gaps or new areas or new initiatives that you are looking to pursue by organic R&D efforts?

Harshbeena Zaveri:

R&D is organic. I don't think we have to buy any company for technology. I just explained to you that, for example, in aerospace, well, none of the companies that are in India make the kind of product that we make. The product that I mentioned to you, we engineered, okay, plain spherical bearings, there are only four global players in the world. So, almost all the products we make and all the competition that we face in the world is against the top five players in the world. The world's top five.

So, plain spherical bearings, if you do an AI search, you will find four or five companies in the world know how to make them. And most of the big players who will be mentioned have actually gone and sold their aerospace facilities because, again, mass customization. How many aircrafts?

Somebody asked me a question, okay? Oh, you know, how many of these vehicles or these applications in industrial, what are the numbers for each type of focus customer? But aerospace is even less than that. And still the companies that have transitioned from either automation to aerospace or have added an aerospace division have really great profitability and growth because it could be a hundred pieces. I mean, we have an order right now for a hundred docking stations. We are putting together a hundred docking stations for drones. But I can assure you that the number, that means the value of that, is very interesting. You know what I am trying to say?



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Namit Arora: Yes, that is very helpful.

Moderator: Ladies and gentlemen, in the interest of time, this was the last question for the day. I would now like to hand over the conference to the management for closing comments. Please go ahead, ma'am.

Harshbeena Zaveri: Thank you very much. I think I really enjoyed this interaction, because it's more of a learning for me than anything else. I understand what are the areas that we should be focusing more on, which are the areas that all of you feel are an opportunity which comes in through your questions, what are the competitive advantages that we have that we should further build on? Basically, how can we grow faster and stay as profitable. There are lots of very interesting insights I got today, and I thank you very much for that.

I also look forward to more such interactions. I really enjoy meeting my investors and potential investors because I think that they think about and visit so many different companies in so many different segments, and we don't benchmark ourselves against bearing companies. I will be very honest. We benchmark ourselves against companies that are innovative, disruptive, and leaders. And we try to look for niche products that have a huge enough market to make a significant difference to our turnover. And I have got a lot of insight. Thank you very, very much. It was wonderful to interact with all of you.

With that, I hand this over to Diwakar.

Diwakar Pingle: Thanks, all of you. In case there are some of you who were possibly on the line and didn't get an opportunity to ask a question, you can drop your queries to us, either to me or Siddesh, or the email ID put out in the presentation. And we will be happy to get back to you with our queries on that. Thank you very much, and have a good evening, guys.

Moderator: Thank you, sir. On behalf of NRB Bearings, that concludes this conference. Thank you for joining us and you may now disconnect your lines.

(This transcript has been edited, without altering the content, to ensure clarity and improve readability.)