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22 May, 2026

The National Stock Exchange of India Limited  
Exchange Plaza, Plot No. C/1,  
G-Block, Bandra- Kurla Complex,  
Bandra (E),  
Mumbai- 400051.

**NSE Symbol - TIMKEN**

BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 400 001.

**Scrip Code- 522113**

Dear Sir/Madam,

**Sub: Transcript of Post Results Conference Call Q4 FY 2025-26**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith transcript of Post Results Conference Call Q4 FY 2025-26 held on Tuesday, 19 May, 2026. A copy of the same will also be available on the website of the Company at below link:

<https://www.timken.com/en-in/investors/statutory-compliances/>

Thanking you,

Yours faithfully,  
For **TIMKEN INDIA LIMITED**

**Mandar Vasmatkar**  
**Company Secretary**  
**& Chief - Compliance**



“Timken India Limited  
Q4 FY26 Earnings Conference Call”  
May 19, 2026



**MANAGEMENT:** **MR. SANJAY KOUL – CHAIRMAN AND MANAGING  
DIRECTOR – TIMKEN INDIA LIMITED  
MR. SUJIT PATTANAİK – BUSINESS CONTROLLER  
INDIA, CHIEF FINANCIAL OFFICER AND WHOLE-TIME  
DIRECTOR – TIMKEN INDIA LIMITED**

**MODERATOR:** **MR. MUKESH SARAF – AVENDUS SPARK**

**Moderator:** Ladies and gentlemen, good day, and welcome to Timken India Limited Q4 FY26 Earnings Conference Call hosted by Avendus Spark. 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 the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Mukesh Saraf from Avendus Spark. Thank you, and over to you, sir.

**Mukesh Saraf:** Thank you, Yusuf. Good evening, everyone. Mukesh Saraf here from Avendus Spark. Appreciate everybody logging into this 4Q FY26 Earnings Conference Call of Timken India. From the management team, I'm pleased to host Mr. Sanjay Koul, Chairman and Managing Director; Mr. Sujit Kumar Pattanaik, Business Controller, India, CFO and Whole-Time Director.

I'll now hand over the call to Mr. Koul for his opening remarks, post which we'll begin with the Q&A. Over to you, sir.

**Sanjay Koul:** Thank you very much. Thanks a lot. So, hello all, and good evening. Thanks for joining today. So obviously, it is always a pleasure and a privilege to welcome you all to the quarterly call so that we can discuss the results of the last quarter of the previous financial year and also the whole year a little bit as well.

So, I'm pleased to report that FY26 has been another year of consistent and a little bit, if I can use the word, broad-based performance for Timken India. We have delivered good healthy revenue growth, which was obviously driven by the strong demand in core industrial segments, supported by good execution on our projects and also some momentum we see in both domestic and the exports.

Our fourth quarter performance remained very resilient despite the issues of uncertainty in the macroeconomics and cost pressures are pretty significant. And then obviously, we are doing investments. So that also hand-in-hand. So, update on Q4 FY26. First time we crossed INR1,000 crores in a quarter revenue.

So that is a milestone, a first time for us. And then revenue from operations stood at INR10,731 million, reflecting a 14.2% growth over the same period last year. PBT for the quarter stood at 2,074 million, INR207 crores. PBT margin was at 19.3% compared to a little bit less in Q3 FY26 and 21% in Q4 '25. So, we had excluded a onetime BAPA adjustment impact in the previous year and a labor code-related impact in the current year. So PBT margin improved by around 10 basis points over the same period last year.

And the consolidated numbers, consolidated revenue from operations stood at INR10,898 million for the quarter ended March 31, '26 and INR34,780 million for the whole year ended on March 31. Consolidated PBT stood at INR2,120 million for the quarter and INR5,526 million for the whole year. And the full financial numbers closed the year with all-time highest stand-alone revenue of INR31,478 million, representing an 8.6% growth over last year, driven by growth -- a little bit of good growth in domestic and export markets. PBT stood at INR5,304

million, almost a 3% increase over last year, with PBT margin at 15.5%, EBITDA at 18.7%. Cash generated from operation at INR4,374 million improved from last year.

Capital advance for the year at INR2,972 million, which was 8.7% of the revenue. And very important operation and strategic updates, the Board has approved the merger of Timken GGB with Timken India Limited. This will help drive operational synergies, improve effectiveness and reduce, obviously, overall cost.

We have completed the investment towards the renewable energy initiatives, which we'll continue to do across all our plants that would obviously support long-term power security, energy security and cost optimization. All lines at our new Bharuch plant have now been capitalized and the plant continues to ramp up progressively, massive PPAP work being done.

And obviously, we have started shipping and selling out of that plant. Investment towards rail expansion in Jamshedpur and plain bearing expansion in Bharuch continue to remain broadly on track. On the geopolitical front, the Middle East conflict did not have any significant financial impact on that quarter, just finished quarter.

However, as we enter the new financial year, we are beginning to see some inflation trends, as you must be fully aware, input costs are going up. So we are actively working on mitigation incentive, both in terms of cost reduction activities, efficiencies and customer engagement, which is where we will recover the increases.

On the market outlook, global condition continue to remain uncertain, as we all know, and slower growth trends, geopolitical developments are changing every day. Trade tensions are very much there. Supply chain realignments are happening. So that sentiment is very much there. Despite the backdrop, our demand across most of the key segments continues to remain relatively stable.

Focus remains on obviously, execution and efficiency, but the demand is pretty stable. So that is the opening remarks, and I'm sure let us jump into the Q&A. With me is Sujit Pattanaik, our CFO as well, so that between us, we can handle the questions, if you may, please.

**Moderator:**

First question is from the line of Ankur Sharma from HDFC Life.

**Ankur Sharma:**

Three questions. One, you did talk about RM inflation and obviously costs going up. So I'm just trying to understand in terms of price hike, how much have you already tried to kind of take? How much more needs to be taken in the context, which I would understand is that passing on price hikes would be relatively easier in the aftermarket channel and maybe more difficult with your OEM customers.

So just some color in terms of how much price hikes have we taken -- need to be taken? And could there be some margin impact maybe in the next 1 or 2 quarters till all of that gets passed on.

**Sanjay Koul:**

Yes. So, the cost increases are happening on many fronts. So, our steel has started showing the signs of cost changes. So, the knocks on the doors are happening. So that is going to come and obviously, that gets passed on. It has not come up yet in volume.

And second is that any input, which is generally our grinding wheel, coolants, everything has gone up. So, this quarter, we are trying to pass it on. And I should say that we have only begun passing it on, we are at 10% currently. So, the massive work is underway. And then the currency also, there's an impact on currency as well.

So, currency deterioration is there, though we import finished bearings for trading. So -- but otherwise, raw material also, there is indirect a little bit of impact because for making grinding wheels in India, something is coming from China or VCI packaging is coming from outside. So, on our cost passing, the exercise, both in terms of giving cost and taking the price, the job has started from middle of April in a very serious note, both of giving and collecting.

So, we are at 10% as we talk. So, 90% has to be achieved on realizing this price. So, it will happen over next 2 quarters, this quarter and next quarter. And in case still there is volatility, then it might continue a little bit. As I speak, our sales head was at Pune at one of the large companies who we supply bearings.

And obviously, everybody resists giving change -- change of price. So, we are in that super mode of passing it on. But to your question, both in terms of giving and taking, we have obviously started giving. On taking, we have still not achieved more than 10%, but we are on an overdrive on that.

And we hope between this quarter and next quarter, we should be able to pass it on. So obviously, there is always this lag, which happens with negotiations and the automotive world, they will keep on dragging as much as they can, but it is going to be retrospective hopefully. So from April 15, really the whole thing of giving and also passing it on has begun.

**Ankur Sharma:**

That's fair. Second question, sir, on the domestic rail and the CV market, how are you seeing in terms of an outlook of growth, growth out of there? And also on the export front, especially in the U.S. geography, which is I think, 50% of our exports. So are we seeing any pickup there? Of course, the trade deal is still pending, but as and when that happens I'm assuming it will help, but before that in the interim how are you seeing exports overall?

**Sanjay Koul:**

Yes. So Ankush, on the export side, the last quarter of the last financial year, we did INR222 crores, which was 21% of our pie which was INR222 crores compared to quarter 3, the previous quarter, it was INR160, INR159.2 crores exactly. So you can see there is definitely a quarter-over-quarter 40% jump.

And I think year-on-year, that jump is also -- if you take the whole year, the jump is almost 66%. So despite the trade deal not happening, there is definitely a pull from the North American market. So there is -- we see that pull from the exports. So we had a good quarter on exports.

I would say, if you see Q3 was INR159 crores and Q4 FY25 was INR133 crores, we did INR222 crores. So that is a plus, a good guy there. On the rail, definitely this market, as I always say is

going to be slow and steady. There are always ups and downs. Sometimes there are delay from the railway board and sometimes the wagon builder has a delay. So all that and then the cash in circulation between the wagon builders and the railways.

So that would remain -- it would be slow and steady growth. So -- and that is where we are. Rail for us in Q4 '26 was INR278 crores and if you compare it to Q3 of FY26 was INR128 crores. So that was obviously a jump on Q-over-Q, but Y-o-Y if you see overall, there was a degrowth -- slight degrowth there.

**Ankur Sharma:** And on the CV front, sir?

**Sanjay Koul:** On CV, robust. So, CV is the markets we play in commercial vehicles, that is pretty good so far. I think the mobile others for us, which CV and tractors are both put together, was INR205 crores, which was actually a jump of quarter-over-quarter, 22%. So CV market is going to remain, I think, robust. There would be, obviously, we have some cyclicality there.

So there might be a little bit of dampening, but then catching up again. So CV has remained in that condition in the last few years, a little bit not robust. So CV is okay and we see it okay. Rail, we see steady, slow growth. So that also is very much there. And overall the sentiment is -- domestic consumption is not bad despite the inflationary market situation, inflation and cost pressures are there, but the local demand is okay. The export demand is also okay. And then the cost pressures are there. So I think that all is in one bag.

**Ankur Sharma:** Thank you. Just one last question, if I may, on the Bharuch factory. Where are we in terms of utilization? Where do we target to reach, say over the next 1 year, say, end of FY27? Also, if you could talk about your market strategy, how are you trying to gain market share here in the SRB, CRB? Just some color there would be very helpful?

**Sanjay Koul:** Yes. So, on SRB, CRB, so all our lines have been capitalized. So that is all done. And we are running the smaller lines, which we call up to -- up to 250 mm. So that we are running pretty full actually and we have already done. Sujit, how much revenue we have generated till date now?

**Sujit Pattanaik:** So for the full year, it was almost INR80 crores revenue coming out of the new plant.

**Sanjay Koul:** INR80 crores coming out of the new plant for the full year. And now April onwards, it would be as we generate -- so we have a robust PPAP going on as we talk. We have almost more than 100 new part introductions underway in that plant. As you know that we have to go through each part has to go through a proper PPAP.

And we have to have Timken approvals and then it has to go through the customer approvals. So all our smaller lines and sphericals are running full on large line, PPAPs are happening. I think we are running more than a shift. So we have to do more PPAPs which they are doing. And on CRBs, again, PPAPs are happening and we are running more than I think one shift there, closer to two shifts.

As Sujit just said, whole year last year, we did INR80 crores and then April onwards. So on the general strategy, we are selling anyway to the metal industry aggregate, material handling, our tapers and imported stuff now with this -- in fact, today morning, only a cement customer was telling me that they see more life out of Timken bearing.

So we sell value and engineering. So we are pitching to all the customers which -- where we are anyway selling tapers, whether it's cement, steel or it is material handling equipment or the construction equipment. So that is the target segment and then obviously, exports as well. I think out of that INR80 crores some exports is there.

**Ankur Sharma:** Got it. Okay. Great. Thank you so much and all the best.

**Moderator:** Thank you. Next question is from the line of Varun Jain from Dolat Capital. Please go ahead.

**Varun Jain:** Hi, sir. Good evening. My first question is that I just wanted to know the segmental breakup for Q4 and FY26?

**Sanjay Koul:** Yes, sure. So Varun, Q4 FY26, rail was INR278 crores, which was 26% of the pie. Mobile, which is for us CV and tractors was INR205 crores, which was 19% of the pie, distribution which was both industrial and aftermarket and more industrial is INR162 crores was 15% of the pie.

Process industry, which is the heavy industry stuff, that was INR200 crores, which was 19% of the pie and intercompany was INR222.5 crores, which was 21% of the pie. So in total for the quarter was INR1,073 crores. And for the FY26 in totality, rail, we did INR781 crores. Mobile others, we did INR681 crores.

So rail was 23% of the total pie and mobile others, which is CV, tractors etcetera was INR681 crores, which is 20% of the pie, distribution was INR582 crores, which is 17% of the pie. Process was INR651 crores, 19% of the pie, intercomp, which is exports is INR707 crores, which was 21% of the pie. So, in total was INR3,419 crores.

**Varun Jain:** Okay. Thanks. That's very helpful. And sir, for this Jamshedpur capex, are we online to go live with it in the December '26 quarter and what is the revenue potential for it like what is the asset turn? I think you're investing INR120 crores there and what is the total overall capex guidance for '27?

**Sanjay Koul:** So yes, we are roughly at INR120-plus crores for capex. Last week I was in Jamshedpur. So we should be able to produce by November this year, so by November this year. And then obviously, new line PPAPs and all that. So December, we should start producing. On terms of total asset turns, we are looking at 2 -- so 2 to start with, and then we'll see because these are all state-of-the-art robotics imported assets.

And highly precise, great for super precision high-speed railways for future as they come. And obviously, you can make slower rail bearings as well, but are capable to do the ultra-high speed for rail as well. So that we should be able to produce the first rail bearing by -- hopefully by

November and December. That is the target. The machines are all getting shipped from Europe and the building is getting ready and all the assests regarding phosphating, etcetera, etcetera.

And we are in Jharkhand getting all these approvals. All those are in place. We have all the approvals now in place. And to your direct question, should be by December producing the bearings. And then the global rail markets.

So South Africa looks -- in fact, Africa rail looks pretty strong in coming months. So that is good. America is also okay. And India is slow and steady growth. So hopefully, it is timed very right as we start producing.

**Varun Jain:** Okay, sir. And sir, of the total FY26 sales we have, sir, what percentage of our sales have been produced locally in India as of now? And what is the localization target hence forth?

**Sanjay Koul:** So out of that INR3,413 crores I think 60-odd percent would be domestic, 65% would be domestic, 35% would be imported. As you know that you can't produce everything in India. There are not thousands, lakhs of different part numbers. So, this 65%, 70% would be a good mix between -- and we are also exporting almost similar, so similar stuff.

So, it generally remains a very good balance. But we are looking at different things. If the market remains growing, BIS gathers momentum, all that stuff is on our plate, but it was 65%, 35% if you take FY26, 1% here or there.

**Varun Jain:** Sir, just last one from me. So, any revenue growth and margin guidance for FY27, if you'd like to share?

**Sanjay Koul:** So, margins and revenue both, we want to be more than the market growth. So, on the top line, we want to be more than the market growth. And on the bottom line, obviously, there are pressures on the cost. We are definitely going to pass them on. And then we are very good at continuous improvement in manufacturing. So that is there. So, it should be healthy. We aspire for doing it better than before, but depending on what happens around us.

**Varun Jain:** Sir, like would it be like a 10% revenue growth, that is the base case? Can I take that? Would that be a fair assumption?

**Sanjay Koul:** I don't think we can give you a percentage guidance either on the bottom line or the top line. I can tell you we will outgrow the market. So that is the maths you have to see.

**Moderator:** Next question is from the line of Rishi Vora from Kotak Securities.

**Rishi Vora:** Just on the CRB, SRB plant, right? Now incrementally going into FY27, how should we think about the ramp-up of this plant, like we ended at INR80 crores. Our target was to exit at 40%, 45% utilization levels. So, which would not have happened, but how should we look at going into FY27? Are we seeing good traction in that facility?

**Sanjay Koul:** Yes. So, I think with the PPAPs going on, we should be July, August, we should start seeing utilization of about 70%. And then with every passing month, it will get better and better. It is a long cycle, especially when you are supplying to the OEs.

Not only will they PPAP, they might even ask for testing and things like that. And some of that parts might also go to the rail application. There again, there is a huge process which we are already underway. But I think we would cross the 70% by July time frame.

- Rishi Vora:** And sir, the peak revenue would be INR1,000 crores?
- Sanjay Koul:** Revenue would be INR1,000 crores. I wish it would be that much, but now it won't be that much. So, as we do the next quarter, the picture will be more clear.
- Rishi Vora:** No, I think the peak revenue potential of..
- Sanjay Koul:** No, no. The mix is different. Obviously, the mix plays a big role. And as I said, asset turns of 2-ish. So that would be the math. But generally, with the whole year, depending on mix, we'll have to do the calculation, but won't be INR1,000 crores.
- Rishi Vora:** Sir, you did a capex of INR700 crores. If you're saying 2x, then the peak revenue potential, not I'm saying that you reach in '27, but then it is north of INR1,000 crores is how we should think about...
- Sanjay Koul:** Sujit, you want to say something you have to take the building right out of that.
- Sujit Pattanaik:** No. I think in the last meeting, we have explained that as well. The peak revenue would be very similar to what the Chairman explained in terms of the asset turns, right? So that's very close do it, which he told in the past as well.
- But if you are specifically asking for financial year 2027, it's very difficult to estimate at this stage because there are multiple things that's happening in part ramp-up and the manufacturing space ramp up, the customer approval, so on and so forth. It may not be exactly possible to estimate at this stage. But yes, the peak revenue would be very close to the asset turn which the Chairman explained.
- Rishi Vora:** So, what should be the capex for this plant of buildings and land, like out of INR700 crores, what would be the capex for just machinery and all that where on which we should count the asset turns?
- Sujit Pattanaik:** Yes. So, if you take out, I think we explained in one of the earlier calls as well. So total investment is roughly around INR720-odd crores including the forex and all the stuff. So I think the building is almost -- I think it was very close to -- it's not on top of my head. I missed and we corrected, but building was very close to I think INR300 crores, INR350 crores...
- Sanjay Koul:** It was certainly INR350 crores.
- Sujit Pattanaik:** So you can take...
- Sanjay Koul:** You can just for rough calculation, the assets purely, obviously, it is not only the building. There is also air conditioning, all that stuff. So maybe 50%, so you can take INR310 crores, INR320 crores.

- Rishi Vora:** And in this facility, sir, is there a scope to further expand the capacity if required in the future years?
- Sanjay Koul:** Yes. The building has been built for tomorrow.
- Rishi Vora:** Understood. And the second question, just a clarification, the capex number, which you guided for '27 is INR150-odd crores. Is that right?
- Sujit Pattanaik:** No. I think he explained about INR120 crores rail expansion.
- Sanjay Koul:** INR120 crores for rail.
- Rishi Vora:** So, what would be for '27?
- Sujit Pattanaik:** Yes. So, we don't give the guidance for capex. But if you look at it historically for last year '25, '26, we spent roughly around 8.5% of our revenue. That's very close to the capex spend. And it will be almost in the vicinity of the same range because there are multiple expansion that's happening Jamshedpur rail, then we are bringing in the GGB with plain bearings in our Bharuch factory, then there will be a little bit of heat treatment investment in the new plant. So put together, it will be very close to that number.
- Sanjay Koul:** Similar lines 8%, 9%, 10%.
- Moderator:** Next question is from the line of Raghunandhan NL from Nuvama Research.
- Raghunandhan NL:** Congratulations on the strong numbers. Sir, firstly, for FY27, how is the traction and inquiries on the industrial bearings business in domestic and overseas markets? And which geographies are driving this in export?
- Sanjay Koul:** From the industrial side, so when you say industrial, so there is -- one is the OE pool and the other is the MRO pool. So, steel MRO is a little bit slow, and you must have seen that the overall melt of last quarter was also a little bit lower than the previous quarters.
- But cement the -- cement MRO is pretty much good. And overall, the sentiment in the OE side, which is because of the geopolitics is a little bit wait and watch. But general statement is okay. It is not showing any signs of despair if I can use that word. And on exports, despite that, the U.S. treaty is not fully signed, dusted, but the flow is pretty okay.
- North America, if we say our exports, North America is gaining momentum. Rest are also there, but it is the main driver is North America. And the order book is healthy. So, core domestic and export commercial vehicle is pretty much bullish. Tractor is okay. Rail is slow and steady is okay. MRO is also -- MRO means the aftermarket is also okay.
- So overall, for me, the current top three worries, demand is not a worry. Cost escalation and passing it on, obviously, is our top priority, ramping up Bharuch new plant, PPAP is second. And third is further projects of expansion. So, demand is not currently an issue. Obviously, we want more and more, but it is not on the top 3.

- Raghunandhan NL:** Well, noted, sir. That was helpful. Any change in the time line for Bharuch ramp up.
- Sanjay Koul:** No, we are -- I think we are a little bit delayed. Obviously, we had massive rains last year in Bharuch -- that inundated the whole city there. So, there were some issues because of that. And then there were some approvals. But overall, I said there was a slight delay, but we are on a path -- a pretty good path.
- As I said earlier, we have capitalized all our lines, which means they are all functional. Now we have to complete all the PPAP. So, the demand is now to the capacity utilization. As we speak, we are hiring more operatives for the plant, which tells you that we need more people to run more shifts.
- And by July onwards, I think we should be 70% of the utilization, then every month, it will become better and better. PPAP because for every PPAP, you have to get all the toolings and then all the approvals. So that is massive work underway currently.
- Raghunandhan NL:** Noted, sir. Very clear. And do you anticipate any revision in capex guidance for next 3 years with more products coming in?
- Sanjay Koul:** There could be -- we are always looking at -- as earlier, I think Rishi from Kotak asked that is this plant capable of handling more? The answer space is available. And we are only doing in the new plant a certain range of sizes, which are not adequate for the whole market. So further range has to be brought in. So, when we decide time is right, so that would happen. Similarly, if there is a chance to do any M&A, definitely, we always are on the lookout.
- And then, if there is a need to do anything more in our 0 to 8-inch, which is the traditional commercial vehicle, tractor etcetera. So those things are also currently actually under discussion. So, there might be a chance, but as Sujit just said that we would do 8%, 9% of our sales figure. And then if there is -- we are a debt-free company. We have the resources at hand. If there's a good project, we'll not shy away from investing.
- Raghunandhan NL:** On the Bharuch revenue, in Q3, the revenue was about INR12 crores to INR15 crores. How much was the revenue in Q4? And also ramp-up cost had impacted 170 bps in Q3. Was there any cost impact in Q4?
- Sujit Pattanaik:** No significant impact from a revenue perspective, of course, Q3 was lower one. We were just ramping up roughly around INR12 crores of revenue. Q4, we had a step-up revenue. So total revenue for Q4 was very close to INR60 crores. So that is how it made INR80 crores for the full financial year.
- Yes, we are still very close to the breakeven. If you look at it the ramp-up cost impact what we had in the last quarter of 170 basis points definitely that has gone down a bit. We are still very close to the breakeven and the impact is not significantly higher specific to this quarter.
- Raghunandhan NL:** Just the last question on GGB. Can you indicate how is the profitability for this entity?
- Sanjay Koul:** GGB.

- Sujit Pattanaik:** Yes. So GGB if you look at the results which we have announced for the quarter, the revenue was INR16.6 crores and the profit before tax was INR4.6 crores. Very strong PBT at close to 30%, 32%.
- Moderator:** Next question is from the line of Sisir Saha from Saha Securities.
- Sisir Saha:** Sanjay, actually I'm not going to ask anything on the technical work because you people are expanding the business and there in business. I'll only ask that your dividend last time you paid a good dividend last time INR36 this year. This year you have drastically reduced. We retired people depend on this type of dividend. So if you pay more, we'll be very happy.
- Sanjay Koul:** So, we paid last time -- we paid how much Sujit?
- Sujit Pattanaik:** 36.
- Sanjay Koul:** So did we announce this dividend of this year, which is 2.5. So obviously, it is slight less than before. But once in a while, we pay better dividend as well.
- Sisir Saha:** 2.5. Is your...
- Sanjay Koul:** No, no I said -- it is 2.5 for the face value of 10 and before that was 36. But every 3, 4 years, we do 50 in big range. So, Saha sir, I thought your question will be for -- don't give a dividend, invest and grow it more. So, we want to make sure that we leverage our cash to invest more rather than pay it to the banks and the interest...
- Sisir Saha:** As you have not been investing in capex now very much, so I request you to consider more dividends in future, little more dividends...
- Sanjay Koul:** Yes, sure, absolutely. We -- if you see our last 5 years in that once we paid a mega dividend, but your consideration and your suggestion is well taken.
- Sisir Saha:** Yes, yes. There is no problem you have been paying good amount, but single digit (Inaudible). that would be better.
- Sanjay Koul:** Okay.
- Moderator:** Next question is from the line of Sabyasachi Mukerji from Bajaj FinServ AMC.
- Sabyasachi Mukerji:** Just one question. On this manufactured versus traded mix of 65%, 35%, where do you see this number going in next 2 to 3 years, given the thought process behind setting up this Bharuch facility was to replace the traded products that we used to import to Make in India and manufacture here in India. So, what this number should be in 2, 3 years?
- Sanjay Koul:** Yes. So obviously, we are producing more and more, but then you see the overall pie is also increasing. So, the pie is becoming bigger and bigger. If we were making -- selling only INR500 crores a quarter, then this would have been different percentage.

But as the Indian pie is also the bearing buy of India is increasing. And then also, there is a new application coming up. Say, for example, on wind, it used to be sub-megawatt, then 2 megawatts, then 3 now, a lot of 5 megawatt is coming up. So, I think this 65%, 35% or maybe some years 60%, 40%, some year, 70%, 30%, depending on the pie and depending on the market, depending on the mix.

But as I said earlier, Sabyasachi, that we cannot produce everything in India, though our desire will be to do 100% in India, but there are thousands and thousands and lakhs of different part numbers. application keep on changing. So, unless there is a critical volume, we do not want to invest unnecessarily.

So currently, as I said, that all of a sudden, 5 megawatt is becoming very popular, which a lot of wind companies want to use. And putting up a plant for 5 megawatt is massive. But then we have other sister plants from which we can buy at competitive rates and sell in India.

So, I would say to your question, though the desire is always that we want to make more and more, but given the market dynamics, business opportunities, diversion and new growth in India, and India is obviously changing very fast. So, I would say that 65%-35% might be there for next 2, 3 years, easy, but the pie will keep on increasing.

**Sabyasachi Mukerji:**

Got it. Understood. Just another question on the segments that we cater to, railways, mobile, process and automotive, industrial aftermarket and of course, exports, which are the segments that you think would grow faster in the next 1, 2 years? And rail, you mentioned, I mean, it will be slow and steady, but how about the other segments where you see faster growth in the next...

**Sanjay Koul:**

I think definitely, given the fact that process industry would grow faster. India just for the sake of a general, India is still \$2 billion, \$2.5 billion bearing market. So, it is not a massive market like China, which is \$20 billion.

So it is a \$2.5 billion market. And out of that, 65% is actually mobile, which means washing machines, refrigerators, 2-wheelers, 3-wheelers, passenger cars and all that the JCB's of the world and the excavators and backhoe loaders of the world. But 35% is only stationary equipment. Generally, in a mature market, it will be 50-50. So, process will definitely grow in India as people start investing more in steel, expansion of steel and as they start putting up more cement in India, more power generation, whether it is wind, solar and then if there is a need of massive material handling and things like that.

And very soon, I am sure that West Bengal will see a big revision on industrialization. Heavy industries, it is East India, heavy industries can easily come there, which are connected to the mining and all that stuff. So, process is one area which is going to grow. When the process will grow, distribution will also grow because as you produce more steel, more mining, more cement, etcetera, you will consume more bearings.

And rail would be slow and steady growth. Mobile truck is always and same thing goes with tractors, monsoon, policies. So last 2, 4 years, commercial vehicles down, all of a sudden, we saw a nice uptick and that would have this cyclicity connected to different policies and the

market condition. But to your direct answer, definitely process distribution, these are going to be strong growth followed by rail and -- followed by mobile and rail.

**Sabyasachi Mukerji:**

Thanks a lot.

**Sanjay Koul:**

I think the time is over. With that, I definitely want to say thanks, and we will look forward to the next quarterly call and hope we are again meeting on a good note next quarter. Thank you very much. Thanks a lot.

**Moderator:**

Thank you, sir. On behalf of Aventus Spark, that concludes this conference. Thank you all for joining us, and you may now disconnect your lines.