



**SECRETARIAL DEPARTMENT**

Jekegram, Pokhran Road No.1, Thane (W)-400 606  
Maharashtra, India  
CIN No.: L17117MH1925PLC001208  
Tel: (91-22) 4036 7000 / 6152 7000  
Fax: (91-22) 2541 2805  
[www.raymond.in](http://www.raymond.in)

RL/SE/26-27/10  
May 12, 2026

To  
The Department of Corporate Services - CRD  
BSE Limited  
P.J. Towers, Dalal Street  
Mumbai - 400 001  
**Scrip Code: 500330**

The National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Bandra-Kurla Complex  
Bandra (East), Mumbai - 400051  
**Symbol: RAYMOND**

Dear Sir/Madam,

**Sub.: Intimation pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Conference Call Transcript**

Please find enclosed transcript of the conference call held on May 5, 2026, with respect to the financial results of Raymond Limited for the quarter and financial year ended March 31, 2026.

The transcript has also been uploaded on the Company's website ([www.raymond.in](http://www.raymond.in))

This is for your information and records.

Thanking you.

Yours faithfully,  
**For Raymond Limited**

**Rakesh Darji**  
**Company Secretary**

**Encl.:** as above



**REGISTERED OFFICE**

Plot No. 156/H No. 2, Village Zадgaon,  
Ratnagiri - 415 612, Maharashtra  
Tel: (02352) 232514  
Fax: (02352) 232513



“Raymond Limited  
Q4 FY26 & FY26 Earnings Conference Call”  
May 05, 2026



**MANAGEMENT:** **MR. RAKESH TIWARY – GROUP CHIEF FINANCIAL OFFICER**  
**MR. GAUTAM MAINI – MD, ENGINEERING BUSINESS**  
**MR. SANJEEV SHARMA – JOINT MD & CEO, JKMP TL**  
**MR. NAVIN SHARMA – CFO, ENGINEERING BUSINESS**  
**MR. SUNNY DESA – HEAD, INVESTOR RELATIONS**

**MODERATOR:** **MR. MANISH VALECHA – ANAND RATHI SHARE AND STOCK BROKERS LIMITED**

**Moderator:** Ladies and gentlemen, good day, and welcome to Raymond Limited Q4 FY '26 and FY '26 Earnings Conference Call hosted by Anand Rathi. As a reminder, all participant lines will be in the listen-only mode and there will be an option for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Manish Valecha from Anand Rathi. Thank you, and over to you, sir.

**Manish Valecha:** Thank you. On behalf of Anand Rathi, I would like to welcome all the participants in the Q4 FY '26 and FY '26 Conference Call of Raymond Limited. We have with us from the senior management of Raymond Limited, Mr. Rakesh Tiwary, Group CFO; Mr. Gautam Maini, MD, Engineering Business; Mr. Sanjeev Sharma, Joint MD and CEO, JKMP TL; Mr. Navin Sharma, CFO, Engineering Business; and Mr. Sunny Desa, Head, Investor Relations. Without taking further time, I would like to hand over the call to Mr. Gautam Maini. Over to you, Mr. Maini.

**Gautam Maini:** Thank you. Good evening, everyone. Thank you for joining us today for our Q4 FY '26 and FY '26 results conference call. I hope everyone has had an opportunity to go through our financial results and investor presentation, which have been uploaded on the stock exchanges as well as on the company's website.

Moving ahead, let me start by talking about the broader macroeconomic landscape that has influenced our performance and strategic decisions. India concluded FY '26 with a robust real GDP expansion of 7.6%, underpinned by a significant base year revision and resilient industrial activity. While the manufacturing sector remained in expansionary territory throughout the year, the manufacturing PMI moderated to 53.9% in March, which was a 45-month low, reflecting the impact of energy shocks and the rising input costs from Middle Eastern conflicts.

Despite this late quarter cooling, the fiscal year benefited from structural GST 2.0 reforms and the RBI's managed policy rate of 5.25% which helped contain March CPI inflation at 3.4% and supported overall domestic demand. If we look at the automotive industry, it hit a historic milestone in FY '26 with domestic passenger vehicle, which is the PV sales, reaching a record 4.64 million units, a 7.9% year-on-year increase.

Q4 momentum was particularly strong with volumes climbing to 13.2% to 1.32 million units, driven by a structural shift towards utility vehicles, which now dominate the market. Total industry dispatches, including 2-wheelers, which was 21.71 million and commercial vehicles, 1.08 million, reached a combined 7-year peak. Complementing domestic strength, exports touched a record of 0.91 million units, which was 17.5% plus, reinforcing India's role as a critical global manufacturing node.

Looking at the aviation sector, it has maintained significant momentum in FY '26 with global OEMs like -- global OEMs tripling India sourcing compared to 2019 levels to reach \$1.5 billion

annually. This expansion is fueled by the deepening of Tier 1 manufacturing roles for Indian firms and a global airline transition towards fuel-efficient next-generation fleets, offering 25% gains in fuel burn efficiency. Despite a record backlog of 17,000 commercial aircraft, representing over a decade of revenue visibility, actual conversion remained hampered by engine shortages and supply chain friction.

Q4 was specifically impacted by a contraction in aerospace-grade titanium and aluminum alloys following logistic blockades in the Gulf. These persistent inflationary pressures have accelerated a strategic pivot towards domestic input localization to insulate margins from geopolitical activity. The aerospace component ecosystem remains highly resilient due to extreme barriers to entry. Suppliers who have cleared rigorous certification hurdles are protected by a compliance moat that insulates them from low-cost competition.

For the component and hardware ecosystem, this records high order book provides unparalleled long-term revenue stability provided that domestic localization can successfully mitigate ongoing material cost premiums. Raymond Limited, on its consolidated performance continued its growth momentum, delivered a resilient quarterly performance, reporting a total income of INR613 crores, reflecting a 2% increase compared to the same quarter of the previous financial year.

EBITDA stood at INR85 crores with an EBITDA margin of 13.9% in Q4 FY '26 versus total income of INR601 crores in Q4 of FY '25, delivering an EBITDA of INR99 crores with an EBITDA margin of 16.4% in Q4 of FY '25. Q4 FY '26 performance was anchored by the Aerospace, Defense and Precision Technology divisions, reflecting the structural integration of Indian suppliers into global high-tech value chains. We are observing a significant migration of domestic vendors from basic component manufacturing towards high complexity subsystems and precision engineered assemblies.

This transition has secured a robust multi-year order pipeline for Tier 1 and Tier 2 export partners, enhancing both revenue visibility and contract stickiness amid broader global supply chain realignments. During FY '26, total income stood at INR2,312 crores, a 10% year-on-year growth from INR2,105 crores in FY '25. EBITDA stood at INR335 crores which was flat in FY '26 compared to the same number, INR335 crores in FY '25. The EBITDA margin stood at 14.5% in FY '26 versus 15.9% in FY '25.

While operational performance remains strong, EBITDA margins faced pressure due to a reduction in non-operating income. INR600 crores of cash was transferred to Raymond Realty post the demerger, hence, the difference. Going forward, we continue to remain optimistic about the future growth trajectory, given our expansion strategy in new product categories and new geographies.

I'd like to move on to the segmental performance to give more clarity on the operations. So, we'd look at the Aerospace business first, which is through the company JK Maini Global Aerospace Limited. At the segment level, the Aerospace & Defense business reported robust performance with revenue of INR119 crores, which is 11% year-on-year growth and an EBITDA of INR30

crores, which is again 11% year-on-year growth and an EBITDA margin of 25.5% in Q4 of FY '26 versus a revenue of INR107 crores and an EBITDA margin of INR27 crores and an EBITDA percentage of 25.5% in Q4 of FY '25.

In FY '26 full year, this segment generated INR392 crores in revenue, which is a 26% year-on-year growth from INR311 crores in FY '25. EBITDA also grew by 25% year-on-year, reaching INR88 crores compared to INR70 crores in FY '25. The EBITDA margin stood at 22.3% in FY '26 versus 22.4% in FY '25. Q4 FY '26 performance was driven by a dual strategy of portfolio expansion and increased volume allocations from core OEM and Tier 1 partners.

Forward-looking indicators remain robust, characterized by a steady rise in the RFQ activity, which is a request for quotation, and the pursuit of new global strategic ventures. This healthy demand supports continued capacity scaling and deeper integration into the high-tech supply chain. While internal growth indicators remain strong, the near-term outlook is currently influenced by external macroeconomic factors.

Precision Technology & Auto Components, which is the JK Maini Precision Technology company is at the segment level. This Precision Technology & Auto Components company reported a revenue of INR442 crores, which is a 5% growth and an EBITDA margin of INR67 crores, which is a 26% year-on-year growth and an EBITDA margin of 15.2% in Q4 of FY '26 versus a revenue of INR421 crores and EBITDA of INR53 crores and an EBITDA margin of 12.7% in Q4 of FY '25.

In the full year of FY '26, this segment generated INR1,667 crores in revenue, which is a 10% year-on-year growth from INR1,513 crores in FY '25. EBITDA also grew by 34% year-on-year, reaching INR223 crores compared to INR167 crores in FY '25. The EBITDA margin stood at 13.4% in FY '26 versus 11% in FY '25. The EBITDA margin improvement was also on account of higher sales volumes, favorable product mix but also included a onetime gain of INR13 crores from the sale of land in Q2 of FY '26. We continue with our strategy to expand into new international geographies and industrial sectors.

We are observing business momentum across domestic and international markets, supported by the China Plus One strategy, integration synergies and focused operational efficiencies across all segments. However, global trade pressures stemming from U.S. tariffs have introduced logistical complexities, resulting in some temporary rescheduling and delays across the industry.

Let us come and look at the debt and cash position at Raymond Limited. We continue to remain a debt-free business with net cash surplus of INR68 crores in March 2026. Raymond is embarking on a transformative INR930 crores capital expenditure program over the next 5 years to meet surging international demand.

This includes INR500 crores dedicated to Aerospace, projected to scale current capacity significantly and INR430 crores for Precision Technology & Auto Components. The integration of advanced multi-access machining systems is already enhancing turnaround times and enabling the execution of complex high-value projects in aero engine, landing gear and structural segments.

Our operational reputation is reinforced by consistent FAIR, what is typically called new product development approvals and successful audit outcomes accelerating the conversion of RFQs into multi-year contracts. We are strategically pivoting beyond build-to-print services towards co-design and value engineering collaborations with global OEMs.

This shift into sophisticated subsystem manufacturing deepens our integration into the global supply chain and enhances long-term contract stickiness. As global OEMs increasingly look to India for supply chain diversification, Raymond's Engineering business is uniquely positioned to capitalize on this structural tailwind.

With a record RFQ pipeline, robust operational readiness and clear focus on high-precision innovation, we remain committed to scaling exports and reinforcing our status as a trusted global manufacturing hub.

I'd like to thank you all once again for your continued interest in Raymond. We are now happy to take your questions.

**Moderator:** Thank you so much. We will now begin with the question-and-answer session. The first question is from the line of Balasubramanian from Arihant Capital.

**Balasubramanian:** In the Aerospace side, we have added 100 plus new SKUs in this year. And what is the R&D expense in this financial year? And are these development costs contractually reimbursable by the customer?

**Gautam Maini:** So, basically, it's a mixed question, but let me try and answer that. Most of the R&D costs are written off as operational costs. It's between 3% to 5% of your cost, but we write it off in the same year because we are considering it as part of our business model to grow aggressively. In some cases, where the projects are very complex, you can get some development costs.

But in a lot of cases, it is included in the prices that you quote and therefore, you build them into your price. But the clear answer is that we do not separately record these costs and we write them off in the same year, like operational costs. So, in a way, the more products you develop, the more you write off that particular year.

**Balasubramanian:** Sir, out of our current order book, like if you could share the breakup between LEAP programs, GTF and others platforms?

**Gautam Maini:** Well, I don't think we go to the extent of sharing exactly on all platforms, but I just want to tell you that we are basically present on several platforms across all the possible engine OEMs globally, both in Europe and U.S., and we are significantly looking to continuously increase our market share with them.

And therefore, our goal is to be derisked that whichever -- whether it's a narrow-body aisle aircraft or a wide-body aircraft or whether it's in Europe or whether it's in U.S., we are part of those markets, and we have derisked ourselves to make sure that we are part of most of these programs.

**Balasubramanian:** Sir, on the tariff side, I think it's been reduced from fifth month onwards. How do you look at from Q1 onwards?

**Gautam Maini:** Sorry, can you repeat?

**Balasubramanian:** Sir, tariff impact has been reduced from fifth month onwards, it's a mid of the quarter. So, how do you look at from Q1 onwards?

**Gautam Maini:** So, are you asking this question for aerospace or automotive? So just to clarify, in aerospace, there were no tariffs. And in automotive, the tariffs are definitely down to 18% now. So, it's definitely better than what it was. And I think slowly customers are getting used to the new normal.

And therefore, slowly, business will start coming back and is coming back. It's taken some time, but I think it will only get better. However, in the meantime, because of the war, you had disruptions on supply chains, etcetera. So, it will just be a little bit more time, but it will slowly come back.

**Balasubramanian:** Sir, my last question, I think we are -- in the auto side, we majorly doing for IC engines, EV hybrid. On this EV side, which are the components we are doing right now? And what is the target in the coming years?

**Gautam Maini:** So, we make some complex assemblies as well, completed fully, transmission gearboxes as well. We also do some very critical components that fit into the hybrid transmissions globally in Europe, and those also get exported to all over the world. So, I would say we are in a good space in terms of both hybrid and EV, and we are trying to horizontally deploy this across our customer base over the next couple of years.

So, we will definitely focus on that. We did see that the hybrid market grew in the last 2 years compared to the EV global market. And therefore, we focused a lot on the hybrid market and captured a major market share.

**Moderator:** Next question is from the line of Niraj from White Pine Investments.

**Niraj:** You have this order book of INR2,350 crores on the aerospace side. Wanted to know how much can you facilitate from the existing facility, not including the greenfield one that's putting up?

**Gautam Maini:** So, we have planned it in such a way that we will not run out of space till we grow. So, we will continue to keep our trend of 25% growth till we reach the new greenfield facility. So, nothing will stop us in the meantime to continue to keep the growth that we have.

And in fact, we will also continue to develop new products here itself, which will then be transferred to the new facility when it gets ready to shorten the lead time of customer approvals in the new facility. So, a detailed seamless plan is being made to ensure that there is a continuous growth in the new facility, when it comes out without running short of capacity in our current facility.

**Niraj:** Okay. So, sorry, I'm extending the same question. So, your current yearly revenues for Aerospace & Defense are almost INR400 crores. And you're talking of a 25% CAGR, you are talking of almost additional run rate going to -- around INR800 crores, INR900 crores run rate in FY '28. And that's when you're expecting the new facility to start. So, is it the right way to look at it?

**Gautam Maini:** Well, we are starting the new facility by the end of calendar year FY '27, right? So, we're talking about an 18-month period, first of all. And therefore, we would be closer to a number much lower than what you said, and we will definitely have capacity to reach that number before we move to the new facility in Andhra Pradesh.

**Niraj:** Right. Sir, the last question, and I'll come back on the queue. There is lot of shortage of machinery for machines, like the likes of GROB and other machines in the global market. So are you fully ordered for the machines for your facility and -- or is this a step-up on the gradual side?

**Gautam Maini:** So first of all, we don't depend on one manufacturer. I think we must be having, within our group, at least 15 different manufacturers. We look at what machines are required for what operations, what complexity. And based on that, we buy our machines. We plan our machines lead times well in advance to make sure that we don't lose out on any of our projects, and that will be the trend going forward as well. We also buy from all over the world, so it's not restricted at all.

**Niraj:** Mr. Maini, my question is more specific to you. Have you completely ordered all the machines or you are yet in the process of doing it?

**Gautam Maini:** So, we continuously have a capacity plan that we order in times of lead time. If our lead time, we believe is, let's say, 6 to 8 months, just to give you an example, then we plan 6 to 8 months in advance to make sure. So, we are -- you have to understand, we're growing almost on a weekly, monthly basis. So, it's not like a project like a cement plant or some other plant where you put a big project and then you expect it to grow.

Ours is a modular growth, which happens every month. So, let's say, you develop 15 new components this month, you know 6 to 8 months from now, you have a ramp-up plan for them. So, you already plan those machines. And based on the lead times you have committed to the customer; you then plan to buy those machines.

So, you'll practically have machines coming in every quarter for continuous expansion on growth. So right now, also, we have several machines that are on order, which we will receive over the next 3 to 6 months. And then we will keep ordering based on what new products are being developed and the ramp-up plan of those products. It's a continuous process.

**Niraj:** I'll come back to the queue. Thank you.

**Gautam Maini:** Sure. Thank you.

- Moderator:** Thank you. Next question is from the line of Sanjeev Zarbade from Antique Stock Broking. Please go ahead.
- Sanjeev Zarbade:** My question is regarding the commissioning. So, in the presentation, you are saying that the commercial production will start by late of 2027. So probably towards the end of FY...
- Gautam Maini:** Sorry can you just -- I can't hear you very clearly. Can you just either come closer to the mic or just speak a little louder please?
- Sanjeev Zarbade:** Yes, sir. Audible now?
- Gautam Maini:** Yes.
- Sanjeev Zarbade:** Yes. Sir, regarding the commercial start of the new unit in Andhra Pradesh, the presentation is mentioning the late of 2027. So, it means that probably it was the, you know, end of FY '28, the commercial production will start. Correct? Is that reading right? Or because I think in your initial remarks, you were saying...
- Gautam Maini:** Yes. It will be in the second half -- it will be like second half or towards the last quarter FY '28, you're right, because it's calendar year '27, yes.
- Sanjeev Zarbade:** And how would be the capex plan for '27 and '28 towards these units as well as for the existing units?
- Gautam Maini:** Yes. So basically, in each of the businesses, we will approximately be spending about INR100 crores each to build capacities, which will be consistent, yes.
- Sanjeev Zarbade:** So, INR200 crores per year for both the units for FY '27 and '28?
- Gautam Maini:** Yes.
- Sanjeev Zarbade:** Okay. And sir, in the aerospace side, what further industry developments you are seeing which could be kind of a tailwind for our growth?
- Gautam Maini:** Well, we have quite a few strategic plans, which I can't disclose fully at this stage till they're concluded. But I can tell you that we are involved at a strategic level with both OEMs and Tier 1s with some long-term large businesses, which only once they conclude, I can bring to the notice.
- But there's a lot in the pipeline. There's a lot of effort being put to move up the value chain, which we've been talking about and also add more value-added work also in terms of subassemblies and then final assemblies. We've also, like I mentioned before, we're doing some design to build work. So, on all the fronts, we are trying to expand the value creation.
- Sanjeev Zarbade:** Okay. Great, sir. And just one last question on the other income side. On the consolidated basis, other income has fallen sharply. So, is there probably some dividend that you would have received in the fourth quarter of last fiscal, which was not there in this quarter?

**Management:** So, there are two parts to the other income. There is other income which we get because there's a surplus fund or surplus corpus available in, let's say, Raymond Limited, which is the parent company. And then there's also other operating income, which is essentially generated from, let's say, sale of scrap and all, because more particularly in the aerospace business, there's a lot of scrap which get generated because of a new machine. So, it has both elements.

**Sanjeev Zarbade:** Okay. Right, sir. I think I'll stop here. And if further questions are there, I'll come back. Thank you.

**Moderator:** Next question is from Aman Baheti from InCred Capital. Please go ahead.

**Aman Baheti:** Hi, sir. Thank you for the opportunity. I hope I'm audible? So, my first question was in the line of our Precision Auto business. So, the EBITDA margins expanded around 250, 260 basis points, but the top line growth was only like 10% on a yearly level. So, what really drove the EBITDA margin expansion? And is it fair to assume that these kinds of margins are sustainable?

**Gautam Maini:** So, first of all, there was an exception of INR13 crores, which I hope you're aware of, which you have to take out from the equation, which was a one-time cost from the land sale that we had. So, once you remove that -- basically, we implemented SAP in August. We did a lot of work on integrating all of the companies. We then did a lot of synergies across the companies. And all of this, I would say, came together before the start of the last quarter. And therefore, synergies from the companies, cost reduction activities, improvement in efficiencies, consolidated buying, all of those had a role to play in margin expansion.

And the margin will continue going forward as well because these are permanent synergies and cost reduction program that we've put in place. Yes, this year, there's going to be some amount of pressure because certain raw materials have gone up, but normally, these are passed through. So, there will be a lag. But in effect, the margins should remain where they are.

**Management:** See, there is a big -- strong cost consciousness mindset, and which is why we are running a formal cost reduction program this year. So clearly, the focus on improving margins, not just from the growth, but also from cost efficiencies remains the priority.

**Aman Baheti:** All right, sir. And in our segmental performance also, we have some other operating income or losses there. So, we incurred around INR13 crores of loss in the other segment. So could you give a breakup of that?

**Management:** The Raymond Corporate, essentially which is the holding company, has other income, which comes in the form of interest income that it generates from the corpus it has. But obviously, it has some expenses as well. So more or less, of course, you can't measure that on a quarterly basis, but I guess the best thing is to look at it on a full year basis. And on a full year basis, the income more than offsets the expenses. And therefore, to that extent, it could be one quarter here or there.

But broadly, the way you have to look at this business is that Raymond Corporate will be more or less even-steven. Okay, there could be some marginal loss in some quarter or some year and

there could be positive some year, etcetera. But broadly neutral, the way to kind of look at this business is we have to look at the aerospace and the auto segment and then really focus on those two segments. And not on the Corporate that you can assume will be always even-steven with some marginal loss or profit.

**Aman Baheti:** All right, sir. Got it. And lastly, on our aerospace business, we have highlighted our order book. So, this order book is largely from Safran? Or are we taking in any other customers? What is the concentration?

**Gautam Maini:** So, you have to appreciate that we have over 25 customers, and one of our strategies has been to derisk our customers. Even when you talk about the OEM you mentioned, they have more than seven different legal entities. So, we are working with many of them. So, the point is to derisk our business across several customers with whom we already have approvals, and that puts us in a very good position to scale business.

**Aman Baheti:** All right. So, I mean -- so my direct question was, can you give a breakup of how much would be LEAP engines from the total order book, only LEAP engines?

**Gautam Maini:** Well, I can't -- I don't think it's okay for me to give you a direct breakup, but let me tell you that over 75% of the products that we make are for the engine segment across the OEMs globally, which should be a good direction for you to know.

**Aman Baheti:** All right, sir. And lastly, I mean, I'll join back the queue after this. So we have guided that we'll be adding around 300 to 350 new components every year. So how has that been playing out till now? Are we in line to ramping up those things?

**Gautam Maini:** Yes. So I talked about one component a day that we will start to do. And this year, we should manage that, but I don't count your -- all the days in the year. So, I would say 250 is possible to be made this year, and we should be on track for it.

**Moderator:** Next question is from Adhiraj Singh from Amicus Capital Partners.

**Adhiraj Singh:** Sir, firstly, congratulations on a good set of numbers. I have a couple of questions. So, first on the net cash number that you have presented, which is INR68 crores. If I look at the balance sheet, right, so I see borrowings of around INR1,000 crores and some cash of INR200 crores. So, can you please provide the reconciliation for the same?

**Management:** Sorry, which page are you referring to? I mean the numbers which you have said are correct of around INR100 crores?

**Adhiraj Singh:** So, borrowings are -- if I look at the consol balance sheet, borrowings come to about INR1,000 crores. And if I look at the cash and bank balance, it's around INR200 crores. So, I was just trying to understand what else is included in the cash line item?

**Management:** Yes. So, there are investments in other marketable securities, right? I mean you have lots of, let's say, instruments in which you invest to optimize your yield when you are sitting on a large corpus. So, I mean, there will be a variety of instruments there.

- Adhiraj Singh:** Okay. These would be liquid instruments, right, all marketable?
- Management:** Yes, largely liquid. I mean some may have 2, 3-years kind of time frame, but largely liquid.
- Adhiraj Singh:** Okay. That helps. And sir, second question is more along the lines of -- on the Aerospace business. So right now, we are primarily into engines. But as we scale, right, is there any plans to get into, let's say, aerostructures or landing gear? So, if you can help me understand if there's any strategy around it?
- Gautam Maini:** Yes. Like I said before, it's 75% in engines. So obviously, that other 25%, we are in landing gears, we are in hydraulics, we are in fuel, we are in other accumulators, we're in auxiliary engines. So, we have not restricted ourselves to any. The idea was to create enough relationship with the aerospace industry as a whole. And then depending on where the opportunities were, we would take them.
- So, we will definitely be taking opportunities in all areas. Obviously, keeping in mind our growth rates, our ROCEs, our returns and wherever we find them to be the best, we will pursue those on priority because like we said, the market is so large that it's more limited by what you can execute rather than market. So, it's very important to execute right. And that is the focus of the company now, is to make sure that we can grow our execution base.
- Management:** See, the critical thing is that, I mean, the biggest opportunity for us is when we start setting up Andhra. It's a clean slate. So, on a clean slate, and Gautam alluded to it, but maybe I'll make it more specific, that the kind of conversation we are doing with most of our partners are basically to say, well, you tell us what you want us to put kind of story so that we can become more strategic with them.
- So obviously, we want to; A, make it kind of one-stop shop for the customer. So that will help the business trajectory as well as I think one of the other participants have asked a point on 250 parts and those kinds of things. But I think it's not the 250 which is more important. What is important is that how do you go up the value chain on those 250 parts. So that's also part of that Andhra strategy because; A, there's no baggage.
- I mean it's a total new parcel of land. I mean we have about 45 acres for aerospace. So we can do what we like to do there. And therefore, we would rather take -- try to reshape the trajectory of the business versus doing more of the same. So those are the kind of things we are trying to work on. Now of course, they'll happen when they happen, but that's the thought process.
- Moderator:** Next question is from the line of Rakesh Roy from Boring AMC.
- Rakesh Roy:** My first question, regarding your Aerospace business. As you mentioned this will grow 25% year-on-year. Then for FY29, how much revenue we expect from your Andhra plant for Aerospace?
- Gautam Maini:** Yes. So obviously, the Andhra plant in the first few months, you can't expect any revenue because you will have customer approvals and stuff like that. So, we will grow in a very small

way in FY28, which is your calendar year ending FY27 and last quarter of FY28. In FY29, you will see the real growth.

**Management:** Let me try and address this question separately without getting into specific numbers. See, we have the capacity to grow this business by 25% for next year within our existing system. So, to that extent, whatever growth will happen, will happen in the existing unit to a large extent. And then Andhra really starts kicking in towards the end of FY28. Now FY29 you -- and the next 25% has to come from Andhra. But the next 25% has to come from Andhra, it can't come from anywhere else.

**Rakesh Roy:** Okay. My assumption for existing business is, your business grew for FY28 year by INR50 crores from this one. For FY29, I mean we get 25% growth from existing plants. And for Andhra, you said 25% of your INR800 crores or just -- again you have to add INR200 crores?

**Management:** As far as mathematics, I mean you can do your math as much as we can do. All we can say at this stage is that we are targeting a 25% growth year-on-year. And the first-year growth can be taken care by the existing plant. The second year will have to be taken care by Andhra. It will be some number between INR150 crores to INR200 crores, whatever that number is.

**Rakesh Roy:** Okay. Sir, my next question is regarding your Auto business, especially EV side. Sir, demand for EV is increasing in Europe. So, any outlook from your side, how is the demand or how is your product for Europe? Any export to Europe also?

**Gautam Maini:** So, I would say that the demand for hybrids has been much higher than just the demand for EVs, where we have been spending a lot of time as well. And that demand looks very strong for us. In fact, the volumes are increasing, and it's helping offset some of the other issues that are there with markets. So, I would say the hybrid market will continue to be very strong.

The EV market, we have to still watch because the governments in Europe have moved the dates out by 4, 5 years. So, to that extent, the EV market is not as strong as the hybrid market. But as a percentage, they continue to grow.

**Moderator:** Next question is from the line of Deeya Jain from Sapphire Capital Partners.

**Deeya Jain:** For FY27, what kind of growth do we expect and what kind of EBITDA margins are we expecting?

**Gautam Maini:** Yes. So, you've seen us historically grow at a certain pace, and we're going to keep that growth rate constant. So, I feel that there's a positive signal, and we will move in that -- on that basis.

**Deeya Jain:** Also, with the margins?

**Gautam Maini:** Yes, also with the margins.

**Deeya Jain:** And sir, can you also provide the breakup of the capex that you are planning to do over the next 5 years?

- Gautam Maini:** Each year, almost you can take approximately INR100 crores from each company. So over 5 years, we'll probably spend INR1,000 crores.
- Deeya Jain:** Okay, sir. Got it. Thank you so much.
- Gautam Maini:** Thank you.
- Moderator:** Thank you. Next question is from the line of Naman from Sanghvi Family Office. Please go ahead.
- Naman:** Great. So first of all, congratulations on a very strong set actually. It's getting disguised because of the other income bit of it. But there are a couple of questions. First is, one, you've said that we have a very interesting pipeline of products developed and products that are under development.
- So, could you tell me or would it be possible for you to share status on, say, total number of products developed and total number of products commercialized? What would be the proportion of it? And how do you see that ramping up? Could you throw some light on that? That's the first question.
- Gautam Maini:** Yes, so basically -- I'll answer the first and then maybe it will be easier. So basically, see, whatever you develop, depending on the timeline that you have from the customer, certain products can ramp up between 3 months, some will take 6 months, some will take 9 months, depending on the complexity, depending on the customer's order, depending on the contract the customer wants with you.
- So, you have to work everything backwards from what the customer wants as a portion of ramp-up. So basically, you have to appreciate if you take an average period of about 6 months, right, you will maybe have 100, 125 parts that are not yet in ramp-up, but are in a process where you've developed the samples.
- And that's a cycle because those parts will then come into your ramp-up, they will then go into production and then you have new parts that come into your new product development. So, it's a continuous cycle that runs, and that could be the gap. As you increase your new product development, you will have more and more parts in the pipeline before they ramp up. But that's what the number looks like today.
- Moderator:** Thank you, Naman. I will request to come back for a follow-up question. The next question is from the line of Pankaj from Affluent Assets.
- Pankaj:** Sir, you mentioned about the capex plan you have for your company -- for both the companies. Just wanted to understand what are the plans for funding the same? And secondly, the growth rate of the auto components segment, which is part of our company, I just wanted to understand what is the growth rate for the next few years?

- Gautam Maini:** So basically, at the Raymond Limited, we are sitting with INR1,000 crores of cash, right? So there's enough sitting there plus the internal generation. So based on that, we don't see any problem in funding the capex.
- Pankaj:** So due to that, will the parent company increase the stake...
- Moderator:** Pankaj, sorry, you are not audible.
- Pankaj:** Due to that...
- Management:** Let me respond to this. So, I guess I think the critical thing is that the balance sheet of the Engineering business itself with the kind of earnings growth trajectory that we are estimating, itself has strength to take care of the growth plans. So, it doesn't need to actually draw upon the parent company for any capital for its organic needs.
- So, to that extent, we can continue to grow the business while strengthening our balance sheet also. Now on top of it, the safety net is that the parent company has liquidity. So therefore -- which is why if you see on an overall basis, we have a pretty much almost 0 net debt. So that's something which will continue.
- Pankaj:** But due to that, will the parent company increase the stake in the Raymond Limited?
- Management:** No, because if the businesses can self-fund itself from its cash flows and the cash flow generation and the earnings growth trajectory, then you don't have to really draw on capital from parent company for the organic needs. Of course, if something inorganic happens, depending on the size, scale, etcetera, then at that stage, maybe parent company will have to chip in. That is how we anticipate at this point in time, having done the long-term projections.
- Gautam Maini:** See, for doing INR200 crores of capex, I really don't need INR200 crores, right? It's always a mix of accrual and debt. So, our cash flows are supporting us.
- Moderator:** Thank you very much. Pankaj, I will request to come back for a follow-up. Next question is from the line of Tanya Singh, Individual Investor. Please go ahead.
- Tanya Singh:** Hi. So, my question is regarding the recent order win in the build-to-spec domain. Could you throw some more light on this, please?
- Gautam Maini:** Actually, we're not able to disclose that right now due to confidentiality, but this is a product that we've developed for a customer, which is also designed completely by us. And it's the first time we did a build-to-spec. So, our goal is to look at how we can take it. It's a slower process. It's not immediate results, but I'm glad that we've got our first order, and therefore, we will be spending more time on this as the years go by.
- Tanya Singh:** Congratulations on that. And could you throw light on how this would position us to move up the value chain?

**Gautam Maini:** No. Obviously, today, we make components based on an assemblies and subassemblies based on customer drawings. This would be our own products. So obviously, it makes a big difference. But you have to start small. So it takes time, and the aerospace industry is not an industry where you can just get in and do something.

You will take a few years to establish yourself into the build-to-spec area. And we've just made a beginning there as one part of our value addition that we intend to bring in different parts of our business in aerospace.

**Tanya Singh:** Got it. Thank you and all the best for the new FY.

**Gautam Maini:** Thank you.

**Moderator:** Thank you. Next question is from the line of Midhun James from Moat PMS. Please go ahead.

**Midhun James:** Hello? Yes. Sorry. So, I'm particularly new to this company. I had a doubt on the shareholding pattern. So, when as an investor, I am invested in Raymond Limited, what do I get? As in I am -- I actually get a share of the parent company, right? The Raymond Limited company, which has got two subsidiaries. And the parent company has got about 66% shareholding in the two subsidiaries, if I'm not wrong. So, can somebody please clarify as in the minority interest gets subtracted from my -- I mean, how does it work out?

**Management:** See, I think the very simple way to look at it is that it's a INR300 crores broadly EBITDA company. And you own as a shareholder, 2/3 of that EBITDA. So, it's a INR200 crores EBITDA that you own. Then there is a debt at the businesses, but there's more than sufficient liquidity at the parent company, which offsets that debt. So, to that extent, if you have to just simply look at the company, then you have to say it's a INR200 crores EBITDA that you own in a very, very simple language.

**Midhun James:** So, it's just about 65% of whatever EBITDA that the company generates, right, at an annual level?

**Management:** 66.3%. 66.3% is 2/3. So, if company does INR300 crores EBITDA, then you own INR200 crores of that EBITDA because 66.3% is roughly 2/3. So, I'm just making it simple for you. Of course, you have to multiply by 66.3% if you want to be precise.

**Midhun James:** Got it. And another question would be, since we are -- in our aerospace business, since we are into turbine vanes and all that, do we have a play in the gas turbine segment as well other than the aerospace business? Are we looking into that as a possible segment?

**Gautam Maini:** So, we have looked at it, and we don't rule it out in the future because there are similarities, and we have some RFQs in that direction. So, we are definitely looking at it, and it will be very natural for our own production as well.

**Moderator:** Thank you, Midhun. I'll request you to come back for a follow-up question. Next question is from the line of Savan Thakkar from Chrys PMS. Please go ahead.

- Savan Thakkar:** Hi, sir. So, across our raw material mix, so across Inconel, across stainless steel, titanium, aluminum, how much do we import and what do we import? And how much is sourced from India?
- Gautam Maini:** So typically, as of today, you import 100%, right? We have just started development of a few of the materials, which are hopefully, over the next 6 to 8 months, we'll see some progress. In auto, we don't, but I'm talking specifically on aero, right? On aero, we import 100% today because you need approvals, etcetera.
- So slowly over the years, as we localize these materials and as the OEMs give approvals, this will actually be in the favour of not only us, but all Indian companies to get more competitive in the future as these raw materials get localized in India.
- Savan Thakkar:** Okay. And in terms of your SKUs and components, you said that you'd add about 200 to 250 components this year. Now what is the mix between assembly and components like is there a mix tracking that can be defined on that side?
- Gautam Maini:** Yes. So, I would say probably 20%, 25% of them would be subassemblies. Some would be main assemblies and the rest would be components that you would use for those subassemblies or some components you would use, which are complex components, you would use on your own. Typically, in the engine side, you will have a lot of subassemblies or on their own, unlike structures and systems where you could have a greater number of assemblies.
- Moderator:** Thank you. Next question is from the line of Reuben from Equity Intelligence. Please go ahead.
- Reuben:** Hi, sir. I just want to know on aerospace, what is your current utilization and is the growth more constrained because of the capacity or is it because of the orders?
- Gautam Maini:** So, the growth will always -- I don't think it is either. It is a question of execution. So, when you say execution, you got to have the right engineering, you got to have the right process. You got to have the right tools, you have to have the right fixtures, you got to have the right systems. So, it's the entire supply chain process end-to-end that you deliver a product and the pace at which you can do it and the speed and accuracy with which you can do it.
- So, it's a question about having the entire delivery process smoothed out rather than just saying is it capacity or is it orders? It's definitely not orders, it's the ability to execute and capacity is only one issue of the entire supply chain. So, you need to get the whole story right and then it works.
- Reuben:** Okay. Because see, we've been hearing about this huge order backlog by various -- bigger OEMs and all. But right now, when we're looking at this order book of INR2,300 crores over 5 years, it's just INR460 crores a year. So, I'm just trying to understand what -- and help me understand what is holding back this revenue expansion. Why is the growth going as much as the order backlog conversion? I'm just trying to understand that?

- Gautam Maini:** Yes. You need to understand that these orders are for products that you've already made, not for products that you're making because they are not in the contract yet. When you make, let's say, the 200 products we would make this year, those are not in the contract. So, almost on a monthly basis or a quarterly basis, your order position keeps increasing based on all the new products you keep adding. So, it's not like a fixed -- this is the current situation, but the situation is changing every day, every week, every month. These are just orders that you've had in the past.
- Management:** See, this is like if we stop taking new orders, then how big the order book is, but we'll not stop taking orders, right?
- Moderator:** Thank you. Reuben, I request you to come back for a follow up question. Next question is from the line of Sahil from White Pine Investments. Please go ahead.
- Sahil:** Hi, thank you for the opportunity. Sir, just wanted to -- what would be the capacity utilization of the current 8,000 units per year and what would be the incremental capacity for these vanes in the Andhra plant?
- Gautam Maini:** So, the vanes we have enough capacity in the current plant and we've just doubled our orders. So, we'll be adding it in this plant itself before we go to the Andhra plant. And what was the second question, you had two.
- Sahil:** The incremental capacity in the Andhra plant for these vanes?
- Gautam Maini:** Yes. So, there are different kinds of vanes. The ones we do today are cast iron, they are out of titanium, they're out of steel, some of them are machines, some of them are -- you can't even machine because they made out of hard metal. So, there are many varieties of vanes. And depending on which variety we will get how much order, then we will -- based on that, we will do our Andhra plant. So, we will also fill up first our current capacities here and then based on whatever new orders come, we will move them to Andhra.
- Moderator:** Thank you. Next question is from the line of Harsh from Toro Wealth. Please go ahead. Harsh may I request you to unmute your line and proceed with your question. Due to no response we move to the next participant.
- Next question is from the line of Shashi Kant from Brighter Mind. Please go ahead.
- Shashi Kant:** First of all, congrats for the good set of numbers. I have one question that one of our peers group has recently won order from Rolls Royce. So, while we we participating in the similar program?
- Gautam Maini:** Yes. What was the last part of your question?
- Shashi Kant:** So, one of our peers group of company has recently won order from Rolls Royce. So, were we participating in that program also in subsidy and all?
- Management:** See, it's not an order win per se. There was an acquisition opportunity of an asset, which came with a lot of its own set of complexity, which is what they have acquired. And what they acquired had a contractual term as part of the acquisition. So, they have just aggregated the entire

contractual term of the current side of the business. So, it's not a new win that they have. Having said that, there are lots of RFQs that we are participating with I mean, not just Rolls, but many other customers. So, as we keep winning them, we will keep reporting them.

**Shashi Kant:** Okay. So just an extension of that question. So, what is the time line gap between the RFQ and the real order placement from the OEMs?

**Gautam Maini:** So, again, it depends. Like I said, if you take the OEMs, they have different complexities. So, if the parts are very simple, then the turnaround time is very quick. In some cases, we have self-approval process. So, they don't even check our parts. They trust us to do the right job. In some cases, the medium complexity, it would take 3 to 6 months.

In very complex, it could go 12 months. So, if they need validation, it can go even further. So, I think each part is on its own, but -- and that's the reason why you have to make a lot of parts because each one will follow its own path, which will have its own ramp-up plan, will have its own growth strategy. So, the ability of a company to continuously make new products, continuously scale up and ramp up, that's what we are looking at.

**Moderator:** Thank you. The next question is from the line of Mr. Parekh from LS Finance. Please go ahead.

**Parekh:** So, my question is for Mr. Gautam Maini. I heard the call you had, I think last year where you mentioned that there are four levels of critical components, N1 to N4 and we work at N2. And I think that tech was -- at least partially was transferred to us by Saffron. So, are we planning to get into N1 level of components, the rotating components? Do we have the capability and if we are not planning to do so, why is that?

**Gautam Maini:** So definitely, I think the wish list is definitely N1. It takes time. It took us 5 years to go from N4 to N3. It took us another 5 to go from N3 to N2. So, these are long-term programs where the customers really test you out and make sure that you are a really reliable supplier. You have to carry heavy insurances. You have to do a lot of things and which we've done right. And therefore, there's no reason why we would not want to do an N1. We definitely are pitching. And we hope that the customers one day will buy our pitch and we can do N1 parts. So that's definitely part of our wish list.

**Parekh:** Awesome. That's great to hear. Can I squeeze in one more question, please?

**Gautam Maini:** Go ahead.

**Parekh:** So, this might be for the CFO. The depreciation is very high for our EBITDA, right? So, like how does the company generate cash flow like the capex, I think you mentioned in the past that the capex will come from internal accruals and debt. So, if the depreciation is so high, how do we generate internal accruals and maybe I'm not very bright here, so maybe please enlighten me?

**Management:** See, we also have significant intangibles in our books to the tune of around INR800 crores. On that, we have a significant part of depreciation coming, which though in terms of calculation

appearing into depreciation, but that's more of -- it's not really, really impacting our cash basically.

It's rather helping us in a way. So, the depreciation number, which seems very high to you, that's largely coming because of the intangibles that we have in our books. Our actual gross block is not that big. And I'll again stick to the same statement that we have enough cash flow, which is getting generated into our business for funding our further expansion.

**Management:** See, you have to understand this, depreciation is a noncash charge. So, to that extent, because there are intangibles which got created out of the merger, so those intangibles and depreciation of that in some sense is actually helping the cash flow because of the tax advantage that you get on that depreciation. So, it's actually helping rather than hurting.

**Moderator:** Thank you very much. Next question is from Vasu, individual investor. (1:01:07) Please go ahead.

**Vasu:** Okay. Yes. Thank you. I just want to know, as of today, we are not interested in moving towards surface treatment, right? I mean scaling up vertically rather we are more interested in scaling up horizontally, right, to maintain a trade-off between ROCE or margins, which we explained in previous calls. It's still that stand or we are looking for -- getting into surface treatment or the margin accretive processes?

**Gautam Maini:** So, obviously, we were constrained also with a lot of other things where we wanted to grow top line. We wanted to grow with customers, and we had limited space in our current location. Now that we have Andhra, definitely our plans have changed. We are discussing with all of our customers in a strategic manner to understand what will be their surface requirements over the next 5 years, heat treatment requirements.

We're willing to be vertically integrated where it's needed. So, we are moving to a much more strategic level with the customers where they can depend fully on us as a one-stop shop, and we don't have to depend for all cases outside. Obviously, this will be done with a lot of prudence not to carry on with surface treatments where there's a lot of capacity in the country, but rather to go after those surface treatments that will build a business case for us in the next 3 to 5 years. So, this is definitely on the cards, and we are aggressively pursuing information from all our customers as to where we should look to invest.

**Vasu:** Okay. Perfect. And the last one, a short one. Can you please let me know like what are the steps we are taking to reduce the audit or clearances process for the new greenfield because I think when I was reading it, it takes 2 to 3 years to get it approved from the -- I mean, various kind of certifications, right? So, if we are targeting by end of FY '27 calendar year or Q1 FY '28 kind of -- I mean we can kick off the production. So, is it feasible considering the audit and clearances will be done? Or it's more on the lines that we will produce the self-certified things which doesn't need external approval as such?

**Gautam Maini:** No. So, it will be a combination of things, but mostly since this is a new plant and our customers would want us to make at the new plant because it will have a lot of things that they will like,

including sustainability, mechanization, automation. There will be a lot of stuff that they would love in that new factory. So, in fact, they will actually push for us to move our products there. So, it would not be something painful because it's -- the company is already approved. It's only a question of second location.

That is not a very difficult thing. If you're not approved by a company and you want to go and get approval for the first time, then it takes 2 years. But in our kind of situation, that will not be the case. So that will be managed very well and very much in advance. In fact, all of our customers already know about our plan 16 months in advance. So, we're going to plan to be able to do that, yes.

**Vasu:** Okay. Thank you, sir. And sir, any plans to get into single crystal materials as of now?

**Gautam Maini:** Right now, no plans because that's not our core business. That could become a supplier for us when we need to get in there. We'd like to start with the heat treatment, surface treatment, finishing, assembly, etcetera, and give a complete sort of a value-added product to our customers at this point in time.

**Vasu:** Thank you. Thank you very much, sir. Good luck.

**Gautam Maini:** Thank you.

**Moderator:** Thank you very much, ladies and gentlemen. We will take that as a last question. I'll now hand the conference over to the Bottom Line for closing comments

**Gautam Maini:** So, thank you very much for the many interesting questions, and thank you for all your support for recognizing that the sectoral performances have been great. And we look forward to seeing you all in the next quarter. Thank you once again.

**Moderator:** Thank you very much. On behalf of Anand Rathi, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.