

Dated: June 1, 2026

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

The Secretary, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra Kurla (E), Mumbai - 400 051

Scrip Code: 544405
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Symbol: BELRISE
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Sub: Transcript of Earnings Call pertaining to the Audited Financial Results of the Company for the quarter and Financial Year ended March 31, 2026 pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements Regulations), 2015, as amended ("SEBI Listing Regulations")

Dear Sir/ Madam,

This is continuation to our intimation on May 25, 2026 regarding audio recording of earnings call of the Company pertaining to the Audited Financial Results for the quarter and financial year ended March 31, 2026, please find enclosed herewith the transcript of the said earnings call.

The said transcript is also available on the Company's website under the tab 'Investor Relations' at <https://belriseindustries.com>.

You are requested to take the above on record.

Thanking you,

Yours faithfully,
For Belrise Industries Limited



Manish Kumar
Head of Legal Company Secretary and Compliance Officer
Membership No. F7990

Encl:
m/a



Erstwhile known as Badve Engineering Ltd.

**“Belrise Industries Limited
Q4 & FY26 Earnings Conference Call”
May 25, 2026**

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 25th May 2026 will prevail



Erstwhile known as Badve Engineering Ltd.



MANAGEMENT:

- Mr. Shrikant Badve – Managing Director – Belrise Industries Limited
- Mr. Swastid Badve – General Manager – Belrise Industries Limited
- Mr. Sumedh Badve – President (Strategy) – Belrise Industries Limited
- Mr. Rahul Ganu – Chief Financial Officer – Belrise Industries Limited

Moderator: Ladies and gentlemen, good day and welcome to Q4 FY26 Earnings Conference Call of Belrise Industries Limited. As a reminder, all participant lines will be in 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.

Before we begin, a brief disclaimer. This conference call may contain certain forward-looking statements about the company which are based on beliefs, opinions, and expectations of the company as on date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

I now hand the conference over to Mr. Shrikant Badve, Managing Director. Thank you and over to you, sir.

Shrikant Badve: Good morning everyone, and thank you for joining us today for Belrise Industries' Q4 and FY26 Earnings Conference Call. Joining me on the call are my sons, Sumedh and Swastid, along with our CFO, Mr. Rahul Ganu, and SGA, our Investor Relations Advisors.

Before we discuss the performance, I would like to take a moment to reflect on how far we have come as an organization. When I started Belrise in 1996, and for much of the first decade, we were almost entirely dependent on a single customer. That customer relationship was foundational to our growth, and we are grateful for the trust they placed in us.

But alongside that partnership, we worked steadily to diversify. We have expanded our customer base, adding new programs and growing our content per vehicle across multiple categories. Over the past few decades, that effort has paid off in a meaningful way. Today, our growth is truly broad-based. No single customer and no single vehicle segment determines our performance. This diversification gives us resilience and greater confidence in the consistency of our business model.

We have made strategic progress as we complete our first year as a listed company following our IPO in May 2025. I am pleased to say that we have delivered on what we set out to do, and the results reflect the sustained effort and discipline of our team.

- Our first commitment was to deliver mid-teens revenue growth while keeping our EBITDA margins stable. And I am glad to share that we achieved this.

Both on the top line and at the margin level, we performed in line with our guidance. This gives us confidence on our operating model.

- Our second commitment was to double our four-wheeler and commercial vehicle business over a period of two years. In FY26, we saw strong progress on this front.

Our four-wheeler business segment recorded a growth of 71% in Q4 of the current year and 37%¹ in the full year '26, while the commercial vehicle segment grew by 32%

¹ Mentioned as 31% on the call, however, the correct figure is 37%

in Q4 and by 35% for FY26. These are very meaningful numbers, and we believe the trajectory is firmly on track.

- Third, we had spoken about increasing content per vehicle. In our two-wheeler segment, content per vehicle grew by 65% to 70% during this year. In our four-wheeler and commercial vehicle segments, supported by the addition of H-One, content per vehicle grew by around 40% to 45%. These improvements reflect our ability to offer a broader basket of products to our customers across segments.
- Fourth, we made meaningful progress in expanding our proprietary segments. In suspensions and steering columns, we acquired four marquee customers each, while in high-tensile products and braking systems, we added four and two marquee customers respectively. We believe each of these segments has strong growth potential and will continue to become increasingly relevant to our business going forward.
- Fifth, we also obtained Board approval for the merger of two group entities into the listed company at close to book value, which will help simplify the group structure and improve operational efficiencies going forward.

Taken together, these five metrics, that is revenue growth, total addressable market expansion, increased content per vehicle, expansion into proprietary segments, and simplification of group structure represent the building blocks of a stronger Belrise. We remain focused on sustaining this momentum in the years ahead.

From an industry perspective, the sector witnessed strong growth in the fourth quarter this year. The sector benefited significantly from the GST rate cut introduced by the Indian government late last year, which provided demand stimulus. We hope this translates into a structural and sustained uptick for the industry rather than a temporary pull-forward of demand as the overall sector continues to evolve.

On two-wheelers specifically, a segment in which Belrise holds a leadership position, we remain confident about our long-term growth. It is worth noting that the two-wheeler segment only recently returned to its pre-COVID peak, unlike other vehicle categories that recovered far earlier. This makes us believe that there is still meaningful headroom for growth ahead of two-wheelers.

In our view, it represents a long-term structural story for India for its mass consumer base. As incomes rise, connectivity improves, and the rural demand deepens, we expect this segment to perform strongly over the coming years. Belrise is well-positioned to further consolidate its leadership in the two-wheeler metal components and plastics space.

I also want to address a topic that comes up frequently over the past few months. Input costs, particularly steel and plastic, have remained volatile over the past year. However, our business operates on a back-to-back pricing model for raw materials. This means that any fluctuation in input costs is effectively passed through to our customers, with a certain lag.

As a result, raw material movements have a limited impact on our margins or overall profitability. This safeguard ensures that Belrise's gross margins remain relatively stable in periods of commodity price uncertainty.

Coming to our growing footprint in the aerospace and defense segment, this is a strategic pillar for us, and we have made significant progress in building our capabilities here. During the third quarter of last year, we acquired SDM in France, and in Q4, we followed that up with the acquisition of Chester Hall in UK, further deepening our capabilities in this domain.

Together with these acquisitions, we have significantly strengthened our capabilities in the aerospace and manufacturing. We are now servicing two of the world's largest aircraft OEMs as well as their engine suppliers.

Aircraft engine components are among the most technically demanding products to manufacture. They require exceptional precision, rigorous quality standards, and a depth of engineering capability that very few companies globally can demonstrate. Our entry into this segment is a major technological milestone for Belrise.

Our long-term vision for aerospace is closely tied to the India opportunity. India is expected to be among the largest beneficiaries of the rapid global growth in air travel and aircraft demand over the coming years. And yet, despite being one of the world's largest consumers of aircraft, India's contribution to global aerospace manufacturing remains minimal today.

We believe India is one of the most competitive manufacturing destinations globally, supported by its skilled workforce, strong engineering capabilities, and robust work culture. These advantages are expected to drive a shift in global aerospace manufacturing towards India, and we are committed to positioning ourselves at the forefront of this transformation.

Coming to the results, we had a strong quarter with our adjusted PAT reaching INR1,290 million. Total revenue from operations for Q4 FY26 stood at INR25,528 million, up by 12% year-on-year, including manufacturing revenue of INR21,763 million, which grew 21% year-on-year. Our EBITDA and manufacturing EBITDA stood at INR2,901 million and INR2,800 million respectively, with margins at 11% and 13%.

Another thing I would like to note is that we had a one-time operational loss of INR94.7 million in Q4 FY26 in our subsidiary, Belrise Aerospace and Defense, due to startup costs related to overhauling of machinery, legal and professional expenses, and personnel expenses related due to our acquisition, Belrise SDM, which we did in France.

We expect this loss to be one-time and expect SDM to be EBITDA positive in the year 2027. We are pleased to announce that the Board has declared a final dividend of INR0.55 per share for all existing shareholders. We remain committed to rewarding our shareholders for their continued trust and support as we grow together.

To close, I would like to reiterate that Belrise is in a strong position today. We have delivered on our commitments, we have diversified our business meaningfully, we are entering high-value, high-complexity segments that will define the next chapter of our growth, and we are doing all of this while maintaining financial discipline.

With this, I hand over the call to Swastid to discuss about the current quarter and way ahead. Thank you.

Swastid Badve:

Thank you all for joining this call. This quarter was significant for us as we deepened our penetration with two of the fastest-growing two-wheeler OEMs and strengthened our presence in the aerospace and defense segment through the acquisition of Chester Hall.

Coming to our key customer wins, I am pleased to share a few significant customer wins during Q4 FY26 that reflect the strength of our relationships and the depth of our product capabilities.

1. Number one, we secured a large new order from one of the fastest-growing two-wheeler and three-wheeler OEMs in the country for the supply of exhaust systems and fuel tanks for one of their highest-selling models.
 - This win is particularly meaningful when viewed in the context of our broader journey with this customer. Over the past 18 months, what began as a program for steering column systems and suspension systems has now grown with the addition of exhaust systems as well as fuel tanks to the product portfolio for this customer. We see this relationship becoming truly meaningful for us going forward.
 - Production for these programs will be supported through a brownfield expansion at our Bangalore facility, with production slated to begin in Q2 FY '26-'27 and a peak annual revenue of INR90 crores. We expect this customer relationship to emerge as one of our largest two-wheeler business partnerships over the next couple of years.
2. The second win has an important backdrop. During Q4, which was challenging across the industry, one of our largest Japanese two-wheeler OEM customers faced a supply disruption when a small Tier 1 supplier serving them came under immense financial stress. At that time, we stepped in.
 - Within eight weeks, our team developed the required parts at rapid pace and completed a full business transition, ensuring uninterrupted production for the customer during a very critical period. While the immediate revenue contribution from this rescue was modest, the trust and goodwill we built with this marquee OEM are far more significant.
 - Building on that confidence, we received a major new order from the same Japanese OEM for complete exhaust systems and a clutch of several other metal components.
 - This program is expected to generate peak annual revenues of approximately INR220 crores, with production commencing in Q4 of this fiscal year. We believe this order will further cement our partnership and drive meaningful growth with this customer in the years ahead.
3. Third, the ramp-up of our Haridwar facility is progressing well, with trial parts already dispatched to one of our largest two-wheeler OEM customers. We expect the pace to strengthen this quarter and we expect to reach peak production over this fiscal year. The plant will receive components from multiple existing facilities, including Greater Noida and Pantnagar, enabling backward integration across our network while limiting incremental greenfield capex.
4. Fourth, we secured the chassis business for the new marquee model launches of one of our largest customers at their Pune and Sambhajinagar facilities. While a portion of these revenues from these models will replace existing business, these launches represent a significant growth opportunity for us going forward.

5. Fifth, we also secured orders for multiple components, including chassis, battery trays, and other metal components for an emerging EV player launching its vehicle in partnership with one of the largest Japanese two-wheeler OEMs. Supplies for this model are expected to commence in Q3 of this fiscal year.
6. And lastly, we strengthened our position in the premium two-wheeler segment by securing a single-source component order for a 650cc premium motorbike from an Italian OEM intended for export markets. Although the volumes are smaller, the manufacturing process and technology involved are highly complex, with only one other supplier in the country capable of producing such components at comparable standards.

Now, I would also like to address some of the headwinds we navigated during Q4 and share our perspective on how these will play out going forward. During the quarter, we faced certain supply chain challenges arising from an ongoing oil crisis, along with elevated raw material, energy, and logistic costs.

In addition, the recent Haryana minimum wage led to increased pressure on labor and overall operating costs across the country. Despite these headwinds, we maintained uninterrupted production and continued to meet our delivery commitments to customers throughout the quarter.

While some of these cost pressures may persist in the near-term, we do not expect them to have any material impact on our medium-to-long-term margin profile. Our cost structure, pricing arrangements, and operational efficiencies give us the confidence to absorb and manage these pressures.

Looking ahead,

- We expect to continue delivering mid-teens revenue growth, consistent with our track record and momentum in our order book.
- We expect EBITDA margins to remain broadly stable as compared to our FY26 levels.
- We expect capex to remain in the range of 6% to 6.5% of our manufacturing revenue, reflecting ongoing investments in capacity and capability.

We are confident in delivering on these commitments and will continue to provide updates as the year progresses. With this, I hand over the call now to Sumedh to discuss about the recent acquisition of Chester Hall and our aerospace ambitions. Thank you.

Sumedh Badve:

Thank you, Swastid. In Q4 FY26, we completed the acquisition of Chester Hall Precision Engineering, a UK-based specialist in aerospace, defense, and space manufacturing. This is a significant step forward in our aerospace strategy, and I would like to take a moment to explain why we are excited about this business and what it means for Belrise.

Chester Hall is a precision manufacturer of aero-engine and aero-structure components, supplying to the world's largest aircraft OEM and one of the largest aerospace engine manufacturers globally. It also serves as a single-source supplier of satellite components for a major aircraft OEM's space satellite programs, a testament to the depth of trust its customers place in the business.

What truly sets Chester Hall apart is the complexity of what it makes. A significant portion of its work involves built-to-spec aero-engine components that require precision tolerances below 1 to 2 microns - parts that are mission-critical and that only a handful of suppliers in the world are capable of producing.

For one of the world's highest-selling commercial aircraft platforms, it is a single-source supplier of reverse thruster engine components and nacelle parts, and currently ranks among the engine OEM's top five suppliers in terms of quality.

A key differentiator is Chester Hall's expertise in machining advanced materials such as titanium and aluminum grade 7 - metals that are extremely difficult to process and demand very high specialized manufacturing capabilities. The company maintains an industry-leading component rejection rate of just 0.5% to 1%, well below broader industry averages.

On the financial side, Chester Hall delivers revenues of over GBP18.5 million in calendar year 2025, with an EBITDA of approximately GBP2.1 million and a ROCE or return on capital employed of over 20%. The business also has existing infrastructure in place to support scale-up.

We acquired it for GBP13.2 million, a valuation we believe is extremely compelling relative to the quality of the asset and its long-term earnings potential that we foresee. Strategically, this acquisition complements our earlier acquisition of SDM in France and further strengthens our presence with global aerospace and space OEM ecosystems.

Importantly, we are already in advanced discussions with OEM customers on transferring a portion of Chester Hall's subcontracted manufacturing to India, which would allow us to leverage India's cost and engineering advantages while maintaining the precision and quality standards that our customers demand.

Our medium-term vision is to now build a large-scale integrated aerospace and defense manufacturing facility and park in India, one that houses advanced capabilities, including manufacturing for complex aero-engine component manufacturing, making it one of the most sophisticated facilities and one of its kind in the country.

Let me now hand over to Mr. Rahul Ganu, our CFO, who will take you through our financial performance of Q4 and FY26. Thank you.

Rahul Ganu:

Thank you, Sumedh ji, and good morning everyone.

Let me take you all through the financial highlights.

Coming to Q4 FY26 consolidated financial highlights first.

- The total revenue stood at INR25,528 million, up by 12% year-on-year from INR22,744 million.
- Manufacturing revenue stood at INR21,763 million, up 21% year-on-year from INR17,991 million.

- EBITDA stood at INR2,901 million, up by 5% year-on-year from INR2,760 million. EBITDA margins stood at 11.4%.
- Manufacturing EBITDA stood at INR2,800 million, up 9% year-on-year from INR2,573 million. Manufacturing EBITDA margins stood at 13.0%.
- Adjusted PAT stood at INR1,290 million, up 17% year-on-year from INR1,100 million. Adjusted PAT margins stood at 5.1%.
- Exports contributed 5.1% to our manufacturing revenue in Q4 FY26, that is INR1,101 million.
- Coming to the segmental performance on the manufacturing front, two-wheeler and three-wheeler contributed 83.2%. PVs contributed 6.2%, CVs contributed 8.4%, and others would be 2.2% for Q4 FY26.

Coming to FY26 consolidated financial highlights,

- The total revenue stood at INR95,091 million, up by 15% year-on-year from INR82,908 million.
- Manufacturing revenue stood at INR77,346 million, up 17% year-on-year from INR65,938 million.
EBITDA stood at INR11,538 million, up 13% year-on-year from INR10,211 million. EBITDA margins stood at 12.1%.
- Manufacturing EBITDA stood at INR10,577 million, up 15% year-on-year from INR9,181 million. And manufacturing EBITDA margins stood at 13.7%.
- Adjusted PAT stood at INR5,020 million, up 41% year-on-year from INR3,554 million. Adjusted PAT margins stood at 5.3%.
- Exports contributed 5.5% of our manufacturing revenue in FY26, that is INR4,235 million.
- Coming to the segmental performance on the manufacturing front, two-wheeler and three-wheeler contributed 82.0%. PVs contributed 5.2%, CVs contributed 8.3%, and others would be around 4.5% in FY26. Net debt as of 31st March 2026 stood at INR5,977 million. ROCE stood at 14.7%.

With this, we open the floor for questions. Thank you, thank you very much.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Nitij Mangal from Jefferies. Please go ahead.

Nitij Mangal:

Hi, thanks for taking my questions. I have a couple of questions. Firstly, Swastid, you talked about margins staying broadly stable on a full-year basis. But can you talk about two things. One, how do you see that trajectory, let's say, through the quarters?

And secondly, when you think of different cost impacts in terms of commodities, fuel, and labor, which of these are easier to pass on, which ones do you think you'll be able to absorb? So how do you get to a stable full-year margin despite all the cost pressures?

Swastid Badve:

Thank you so much for the question, Nitij. So when I think about stable margins, I think there's two particular factors that affected us for our Q4 performance of FY26. The first thing was, as

my father mentioned, the one-time loss in our aerospace and defense segment of around INR94.7 million.

We expect, as we mentioned before, this loss to be one-time and hence we expect Belrise SDM as a subsidiary to be EBITDA positive going forward, so that gives us increased confidence. And in the ongoing oil crisis, we're getting affected by around four unique factors.

One is the inherent increase in fuel cost, two is the increase in transportation costs, third is our labor costs, and fourth is the related personnel costs. I think when it comes to passing these on to customers, we'll be looking to pass on the fuel costs and labor costs over a period of time to our customers, while on the transportation costs, we're still in discussions with a couple of our key OEMs and that is something that we'll get more clarity on going forward.

So while this current situation may still persist, we again, as we mentioned before, expect this situation to be short-term and as we mentioned, maintain our guidance for the full year. Another cost that particularly affected our performance in Q4 was that we did two acquisitions, SDM and Chester Hall, both of which required legal and professional fees which were paid out in Q4.

Again, we expect these to be one-time expenses. Of course, if there's any further acquisitions, then we'll again incur these expenses, but this is something that we don't believe will be recurring on a quarter-to-quarter basis.

Nitij Mangal:

Thanks, Swastid. And secondly, on the new OEM orders that you have gotten on the two-wheeler space, can you talk about how can we scale up? Is there opportunity to supply a lot more to these models? Because it seems you have gotten orders from two of the largest selling vehicles? And let's say over the next two, three years, how big can these two OEMs become for you?

Swastid Badve:

Yes, so I'll go one by one. Firstly, talking about the customer who is the fastest-growing two-wheeler and three-wheeler OEM. So the engagement with this customer on a meaningful level started around 18 months ago, as I mentioned earlier. First, we supplied steering columns to them, which for the full industry was a monopoly product.

There was only one supplier over three decades supplying the steering column to all of the three-wheelers as well as the scooters in the industry. We broke the monopoly with our superior engineering advantage as well as our manufacturing capability, and we were able to give a product to the customer which had much lower quality rejection and much higher automation.

I think this was the first element in which they gained trust on not only our manufacturing capability, but more importantly, our engineering capability. Following this, they also invited us to quote for their suspension program for the three-wheeler, again an engineering product that we were offering them which was as good or better than their existing OEMs.

So we were able to give them a product at a decent price, again with sustainable engineering advantage. So both of these products, as you'd imagine, are challenger products for us. These products are not our bread and butter, these are products that we're still scaling in. And for this OEM to trust us in these products was a massive vote of confidence.

Once we have proven ourselves, and now that we have proven ourselves in both steering columns and suspensions, the discussion right now is on a much larger basis where now, as I mentioned, we are starting with exhaust systems and fuel tanks for one of their highest-selling models.

And over the next one to two years, to your question, we'll build a complete basket with them where our content per vehicle will go up sharply and again we'll penetrate across multiple different models. Right now, we're talking about a brownfield facility in Bangalore, which I would like to reiterate is one of our sharpest ramp-ups that we've seen over the past three years.

We expect this ramp-up to happen quickly and based on that, expect this customer to become very large for us over the next two to three years.

On the second customer, which is a large Japanese two-wheeler OEM customer, again we've been in discussions with them for a while. I think again the trigger for them to give us more business was the crisis that they faced in Q3 and Q4 while the complete supply chain was reeling with challenges related to labor, fuel or transportation, we were largely able to control our supply chain and manufacturing well. Seeing our confidence, we were able to in a span of eight weeks, take over the parts of one of their smaller Tier 1 suppliers, and this imbibed a lot of confidence in them.

They saw the agility in which Belrise moved, and based on that, they've given us an order for the exhaust systems and other metal parts for their highest-selling model, which we believe will allow us to generate revenues of excess of 2,000 million or around INR200 crores annually. Again, this was a customer where our presence was negligible.

And this, again, is a very fast-growing customer. So both of these customers put together their contribution to our current revenues are negligible or minimal. With these two wins, we expect them to become very large for us over the next two to three years.

Nitij Mangal:

Got it. Thanks. And third is on aerospace. So let's say when you think of next -- I know these businesses are so small, but when you think of next four, five years, how much can aerospace start to contribute to your revenues? And are there opportunities to also start manufacturing in India?

Sumedh Badve:

Right. So aerospace and defense, as we've mentioned previously as well and on today's call, fundamentally it is an area of focus for us. We want it to be a meaningful contributor to our revenues, growing upwards of 10%. And if I can just elaborate on how we plan to get there and why it makes a lot of sense, there are four specific points.

Number one, it's a market with unprecedented demand. India is one of the largest procurers of aircraft. The order pipelines are upwards of a decade. So if you were to order a new aircraft, for example, today, it would take about 10 to 11 years to get a new delivery. And the largest airlines that are ordering aircraft are based in India. So there's a massive captive demand.

Number two, the current manufacturing that is localized in India at the moment is very limited, but there is a massive growth that is coming in this space. As I'm sure you've seen, there are the

aircraft OEMs as well as the engine manufacturers have publicly announced their ambitions and targets of setting up manufacturing in India, localizing a large portion of their business in India.

And unfortunately, the current ecosystem doesn't exist. But we're building that ecosystem for them in India. We currently have those relationships with the customers given our acquisitions in Europe, and that is the target for us going forward.

Number three, specifically with respect to India, the OEMs and the aircraft engine manufacturers are not looking at India as a low-cost manufacturing base, but as a best-cost manufacturing base. There are those engineering capabilities which fortunately we've built at scale, and given our acquisitions, we're very fortunate to have those capabilities in place already, and we're currently engaging with them.

Beyond that, in the short-term, they are looking at transferring and shifting or giving us new orders to move from UK or from Europe to India as well. That's in the short-to-medium term. Lastly, there's a lot of government tailwinds, which is very positive.

Overall, with these M&A acquisitions, we're able to very drastically reduce our time to entry into the market, gain capabilities, and most importantly, gain certification qualification, which would take a very long time to get organically. And we have those customer relationships that we've built with marquee customers in Europe, which is going to allow us to grow that significantly and capitalize on that in India as well.

Nitij Mangal: Thanks, Sumedh, and thanks, Swastid. Wish you the best.

Swastid Badve: Thank you.

Moderator: Thank you. Next question is from the line of Vipul Agrawal from HSBC. Please go ahead.

Vipul Agrawal: Hi team, thank you for taking my questions. Actually, I have a few questions, starting from your plan for QIP. You just announced that you'll be doing a QIP of INR2,000 crores. So is it for the repayment of debt or some new acquisition, or what's the plan if you can help us understand?

Swastid Badve: So Vipul, thanks for your question. At this point of time, it's only an enabling resolution. I would also like to clarify that up to INR2,000 crores, we will come back to you on the right time if there's any further progress on this.

Vipul Agrawal: Okay, makes sense. My second question is on the exhaust system. You talked in details in the previous answer. Just a few things over here. Like, is it a, given that exhaust systems are pretty, the segment is pretty competitive. So how do you see margins there? Do we have a, like I've seen your plants and you have a pretty good vertical integration over there.

So what is the competitive edge, like you could turn around the whole project in just eight weeks? So what was the competitive edge over there? And how do you see, like, maybe if you're getting a pretty big order from a big OEM and that's a INR400 crores is a pretty big revenue. So how do you see this segment growing for you in terms of margin or maybe getting more business in this segment?

Swastid Badve:

Right. Just like to clarify a couple of things. The product that we, you know, turned around in eight weeks was not the exhaust system itself, but there were a few smaller metal components that we were able to turn around. And this INR400 crores figure, I don't think I quoted that. What I did mention was there's a INR220 crores order from one of the OEMs and a INR90 crores order from another OEM.

So put together, that would be around INR310 crores of peak revenue. Now to answer your question more specifically on exhaust system itself, it is one of our largest products and we have a market leadership in this product itself. I think as you've seen our plants, I think the amount of automation that we're able to deploy in exhaust systems is second to none.

So we're able to use our robots very effectively. As a company, as a whole company, we have more than 850 robots, so we are able to have much higher automation as compared to our peers. Second, as you mentioned, we also have much higher verticalization. So we're able to do all the processes in-house, right from the tooling, the stamping, to the fabrication to the robotic fabrication, painting, coating, and assembly.

So most of these processes are done in-house, while a lot of our peers do it outsourced, due to which we're able to build a competitive advantage. And third and fourth, I think are more potent reasons. Third, I would say in terms of engineering capability, I think exhaust systems are known for NVH, which is noise, vibration, and harshness.

We have a lot of metallurgical understanding of how to assist OEMs in the design and development of these exhaust systems based on NVH. As we have done this product for a better part of three decades today, the kind of learnings and, you know, horizontal deployment of practices that we have allow us to learn the best practices from unique OEMs and to understand how we can contribute that across multiple different OEMs.

And fourthly and lastly, if I could just point out about one technology that is unique to us and that cannot be emulated or is very rarely emulated by our peers. Since the exhaust system is a very glossy part, it's a part that is immediately attractive in a bike, it requires plating. This plating actually has to be done on stainless steel for a lot of the premium models.

We are the only or one of the only players in the country to have this capability to surface coat on a stainless steel, and this again allows us to have a competitive advantage over our peers. So all of these factors put together, right from the verticalization, to the automation, to the design and unique processes, allow us to have a competitive edge in the exhaust system manufacturing.

Vipul Agrawal:

Thank you for the detailed answer. My next question is on the capex. You talked about that capex would be around 6% to 7%. But now understanding that you are also entering into products which are more sophisticated, they would need more R&D. And so if you may some, give some idea about like what can be your R&D expense going forward?

What was it in like two to three years before these acquisitions? How is it moving right now? And how do you see it planning out maybe next three to four years? How are you placed over there in R&D terms?

Swastid Badve: Yes, so this R&D expense will be inclusive in the 6% to 6.5% of manufacturing revenue that we spoke about. Ofcourse capex as a percentage of revenue has grown over the past few years and we expect it to grow going forward. If you look at our R&D team, there's more than 163 people that we have in our R&D team and they're able to drive deployment of engineering across suspensions, steering column, high-tensile products, braking, and so on and so forth.

So these are the four or five products that we're working on initially. Of course, we have other products that we are, you know, in the design and development phase of and over the next 12 to 18 months we will launch. So sufficed to say, I think R&D is a core capability for us, which is why our two-wheeler content per vehicle has gone up by 60% to 65%.

If you look at this increase of 60% to 65%, around 80% of this 60% are all proprietary products, which have all been developed in-house and in partnership with an Italian as well as Japanese Tier 1. So I think proprietary products will be a core part of our strategy and we'll continue to execute on that area.

Vipul Agrawal: Just one follow-up on this one, that on R&D, like you have around 150 people right now. And again, I'm just repeating my question, a part of my question, like since you are into steering columns, you are into high-tensile steels, then you'll also be getting into aeronautics.

So I would assume that these things need far more aggressive R&D expansion. So if you have some targets, maybe to increase your team by some, like any thought you have given around it? Maybe if you are? And I would understand it's in a nascent stage right now because the things are still moving in a good momentum, but any thoughts around that?

Swastid Badve: Directionally, I think we're both on the same page. We will look to hire more, get into more partnerships, acquire other aerospace companies. So all of these directionally are the correct things to look forward to. Exact specifics about how much it would rise, I do not have with me at the moment or I cannot comment at this moment, but it's definitely the direction in which we're heading towards.

Vipul Agrawal: That makes sense. My another question is, if I may ask a couple of more questions. Just one question is on your trading business. Earlier, Shrikant sir talked about like maybe you might localize some products in India or maybe a spin off of the whole entity because again it's on a consolidated basis it is margin dilutive. So any thoughts on that? Any plans on the trading business about localizing or what's the future of that part of your business?

Swastid Badve: Yes, we have not commented on hiving off this business in any format. As we think more about this business, we'll keep you updated.

Vipul Agrawal: Okay, makes sense. Yes, I guess that was all from my side. Thank you so much.

Swastid Badve: Thank you, thank you.

Moderator: Thank you. Next question is from the line of Radha from Motilal Oswal. Please go ahead.

Radha: Hi sir, thank you for the opportunity. Sir, I wanted to understand in suspensions, do we have any customers in the domestic passenger vehicle OEM space? And where do you see the suspension business in the next three years in terms of what percentage of revenue would this be in your target?

Swastid Badve: Thank you, thank you for your question, Radha. So right now, we're not catering to the passenger vehicle space; we're only catering to the two-wheeler and three-wheeler space, where as we mentioned earlier, we have four marquee customers, three of which have been onboarded over the past 18 months. These are all very large two-wheeler and three-wheeler OEMs.

Radha: Understood. And sir, secondly book keeping question, what is the absolute revenue from suspension and polymer division in FY26? And if you could highlight the same for H-One revenue and PAT for FY26?

Swastid Badve: We do not have those figures handy at the moment, we're happy to, you know, let you know that offline.

Radha: Okay sir, thanks so much and all the best.

Moderator: Thank you. Next question is from the line of Jyoti Singh from Haitong Securities. Please go ahead.

Jyoti Singh: Yes, thank you for the opportunity. Sir, two, three questions from my side. One is on the current this acquisition we have done on the H-One, Mag Filter, and Chester Hall. So should we expect more inorganic growth going forward in FY27?

And if you can tell us like which area are the priority, auto component, EV system, aerospace, or international manufacturing? And another, like you have clearly mentioned on the content per vehicle side that we have grown.

So what was the two years ago and now if we can give us average view on that? And what is the medium-term content per vehicle opportunity from premiumization and EV transition? And third, on the several facilities that commenced production across Chennai, Pune, Bhiwandi.

So could you just share current utilization level across these new plants and expected break-even timeline for each? Thank you.

Swastid Badve: Sure, so those were a few questions, so I'll try to answer them one by one. I think on your first question about how we'll think about inorganic acquisitions, let me just maybe over a couple minutes paint the picture of how we want to go ahead doing inorganic acquisitions. These are the three dimensions that we focus on when going after inorganic targets. One is customers, second is capabilities, and third is verticalization.

So, if I was to just relate them to the acquisitions we've done recently. When we did the Chester Hall acquisition, we got access to customers like the world's largest aircraft OEM as well as one of their premier engine suppliers. For us to have attained these relationships organically would

have easily been a two-to-three-year journey, and even after that, the revenues that we would have been able to get out of this would have been fairly low.

So, getting access to customers which otherwise would take us a long time would be the first tenet of our inorganic story. Second would be capabilities. Maybe now I can take a brief of the H-One acquisition, where we got access to the high-tensile capability over there, where now we're able to go from 600 megapascals, which is the average in the industry, right up to 1,200 megapascals organically within India and 1,700 megapascals through our partnership with H-One globally.

So, with this increase in tensile strength, we're able to achieve a lot of lightweighting as well as increase the safety of our key components. So, we'll look to acquire new capabilities that otherwise would take us long to build, and that's how we'd like to enter new OEMs as well as cross-sell our products.

And third would be verticalization. And I think this is also an important tenet. I think if we're able to invest more in backward integration, that would mean for us to increase our gross margin per rupee of product that we're shipping out and hence increase our return profiles. So, we might also look for backward integrated facilities where the ready-made customer would be us, and that would allow us to scale these products fairly quickly and over a short period of time.

If you think about the four acquisitions we've done, Mag Filter, H-One, SDM, and Chester Hall - two of them, Mag Filter and SDM, were done at book value, while Chester Hall and H-One were done at a mid-single-digit EV/EBITDA. So, all four of them have been EPS and ROCE accretive since day one. We really want to focus on doing acquisitions which are mild in terms of the valuation we're paying.

We're not a company who would go after expensive acquisitions at all. And even when we think about our aerospace ambition, we will not go ahead and do expensive acquisitions in the future. Instead, we'll focus on meaningfully scaled companies which are stable and have strong cash flows.

And the real benefit we'll look to get out of these aerospace companies would be getting those capabilities and customers and moving those to India, which we believe is a far larger opportunity as compared to paying an expensive multiple in India or abroad. Right. Can you please repeat the remaining questions?

Jyoti Singh:

Yes, sure, understood. And sir, second question is on the content per vehicle side. So, if we compare as per today and versus two years ago, what is the -- and also what is the medium-term content per vehicle opportunity we are seeing from the premiumization and EV transition?

Swastid Badve:

Right. So, content per vehicle, as we mentioned, in two-wheelers around 18 months ago would have been INR 12,000 optimum and now it's gone to INR 20,000 if I include the merger of our two related parties, Badve Autocomps and Eximius. So that's a what, 60% to 65% increase in content per vehicle. I think more than comment on further increase in content per vehicle, which is of course a priority for us, what would be more relevant for us at this point of time would be to cross-sell more.

So, for this INR7,000 to INR8,000 of new content per vehicle that we've added, if we can get three to four unique OEMs for each of them, that would allow us to really broad-base our growth going forward. We don't want to introduce a product and only have it selling to one customer. We really want to make sure that it is penetrated across the industry, and that's the only way in which it will become relevant to our revenues going forward.

Same way in four-wheelers, we were at close to a INR 25,000 content per vehicle maybe 18 months ago, which has gone up to INR 40,000 to INR 45,000 with the acquisition of H-One. Again, over there, four-wheeler and commercial vehicle, as we mentioned, is a very small category for us. So rather than increase content per vehicle, I think we're just looking to enter as many new models as possible since it's a blue ocean for us.

We want to keep on winning new models across new OEMs, and that's why to double our revenue as compared to our FY25 revenues in this fiscal year, we will have to grow at close to 40% to 45%, which is our endeavor and which is what we're confident about doing. In terms of a near-term guidance of where content per vehicle can be, nothing that we can, you know, comment on at this point of time, but we'll expect content per vehicle to continuously go up going forward as well.

Jyoti Singh: Okay sir. And another, could you just share current utilization level across these new plants and what is expected break-even timeline for each?

Swastid Badve: We are unable to comment on plant-specific questions on utilization and break-even. Thanks.

Jyoti Singh: Okay, sure. So just one more question on the aerospace side. So, what kind of market size we are seeing in India? And another, earlier waiting period was too high, more than six months. So now a lot of companies entering into aerospace, so what kind of waiting period we are looking to reduce further if you can comment?

Sumedh Badve: So, I'm not sure what waiting period you're talking about, six months.

Jyoti Singh: If we are ordering a new aircraft?

Sumedh Badve: No, it's significantly higher. It's 8, 9, 10 years in certain cases as opposed to six months. So that is essentially if you were to order a new aircraft today, you'd have to get in line. There is significant backlog with both the aircraft manufacturers in the world, and there are significant supply issues.

On a demand side, it is very solid, it's phenomenal. On a supply side, there are significant constraints. Again, like I mentioned, India is one of the largest aircraft procurers or acquirers in the world. And compared to that, aerospace market size in terms of aircrafts, the manufacturing that happens locally is significantly, almost negligible.

As a result of that, the aircraft OEMs as well as the engine manufacturers are looking at India to increase localization, predominantly also to protect from a China-plus-one policy. And in that sense, there is a massive market that exists in India. The second lead time that is even more stark is actually qualification certifications.

As you can imagine, everything in aerospace is extremely mission-critical, safety-critical. So, anything you have to get into the supply chain, the qualification certifications are extremely, extremely important. In certain cases, they can take up to 12 months, 18 months, up to 24 months for certain processes.

And in that sense, that is where our acquisition strategy comes in. We're able to get access to customers, get into existing supply chains, and most importantly, get access to those qualification certifications with those specific OEMs and decrease time to get into that supply chain and ecosystem.

Jyoti Singh: Okay, thank you so much, sir, for detailed explanation.

Moderator: Thank you. Due to time constraints, that was the last question of the day. I now hand the conference over to management for closing comments.

Management: I would like to thank everyone for their time, interest, and questions. I hope we've been able to address most of your queries. We remain confident in our growth trajectory, both near-term and long-term. For any further queries, please reach out to us or to Strategic Growth Advisors, SGA, our IR partners. Thank you once again for joining. Thanks.

Moderator: Thank you. On behalf of Belrise Industries Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.