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Date: June 17, 2026

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Subject: Transcript of the Conference Call held on June 12, 2026

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is the transcript of the Conference Call held on June 12, 2026 post the announcement of the financial results of the Company for the quarter and year ended March 31, 2026.

The above information is also available on the website of the Company i.e. www.raclgeartech.com

This is for your information and record purpose.

Thanking You

Yours faithfully,
For **RACL Geartech Limited**

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RACL GEARTECH LIMITED

Q4 & FY 2025-26 EARNINGS CONFERENCE CALL

JUNE 12, 2026

MANAGEMENT:

MR. GURSHARAN SINGH – CHAIRMAN & MANAGING DIRECTOR

MR. PRABH MEHAR SINGH- CHIEF OPERATING OFFICER

MR. JITENDER JAIN- CHIEF FINANCIAL OFFICER

<p>Ms. Neha Bahal</p>	<p>Good afternoon, everyone. I am Neha Bahal, Company Secretary and Compliance Officer of RACL Geartech Limited. On behalf of the company, I extend a warm welcome to all participants joining us for the earnings conference call to discuss the financial performance of the company for the fourth quarter and financial year 2025-26. I will be moderating today's session.</p> <p>Before we commence, I would like to draw your attention to a few important points. During the course of this call, management may make certain forward-looking statements regarding the company's future performance, business prospects, and growth outlook. These statements are based on current assumptions and expectations and are subject to various risks and uncertainties that could cause actual results to differ from those expressed or implied.</p> <p>For the smooth conduct of the session, all participant lines will remain muted during the management presentation. This will be followed by a question and answer session, where participants will have the opportunity to interact with the management team.</p> <p>Should you require any assistance during the call, you may submit your queries through the Q&A box or use the raise hand feature available on your screen and our team will be pleased to assist you. Please note that this conference call is being recorded. We are pleased to have with us today the management team of RACL Gear Tech Limited, represented by Mr. Gursharan Singh, Chairman and Managing Director, Mr. Jitender Jain, Chief Financial Officer, and Mr. Prabh Mehar Singh, Chief Operating Officer. We are grateful to have them with us to share insights into the company's performance, key developments, and strategic outlook to address your questions during the interactive session.</p> <p>With that, I would now like to invite Mr. Gursharan Singh, Chairman and Managing Director, to deliver his opening remarks. Over to you, sir.</p>
<p>Mr. Gursharan Singh</p>	<p>Hi, Neha. Thank you. Thanks for starting the event with a positive note. And hi, all my colleagues from the fraternity and all my colleagues from RACL. I'm really very glad and very delighted to connect with you, although our quarterly call is a regular affair, but in these challenging and tough times when there's a tremor all around, there's always a challenge to speak positivity. So I'm really very, very thankful to all of you for joining this call and really it is a pleasure to be connecting with you.</p> <p>And you all have already known that we have closed the year with a very, very magnificent note of crossing 500 crores of milestone revenue by having a consolidated revenue of 512 crores. Overall revenue with all time historical revenue figure. And side by side, our profit margins are also all time historically high and it has shown a very, very magnificent growth. This is a common saying when the going gets tough, tough gets going. So definitely in this challenging period also we are maintaining this growth</p>

	<p>pattern, this really shows that our perseverance and patience in past, maybe one decade. The way we have strengthened our operations, the way we have strengthened our technology, the way we have strengthened our technology base or the customer base, it has really now proven that yes, RACL is a company which is fully now stable on its firm foot and is ready for taking any of the challenges which are coming out of global turmoil or the geopolitical situations or the business challenges. In today's world, when the whole of the world is crying, that inflations are going over the roof, all the input cards are really hitting any industry across the world, but despite all these challenges, our business is growing, our company is growing, and many, many thanks to all of you investors, also for keeping your trust and confidence on us, which really keeps us more and more motivated, keeps us more and more inspired, and of course, keeps us more and more, I will not use the word stressful conditions, but yes, to always be on our toes to keep performing in a good way. So during this call today, my colleague JJ and Prabh have made a nice presentation. They will actually show you the real numbers and the roadmap ahead, but I am just opening this meeting with a very positive note that, despite of all the challenges, despite of all the global turmoil, where the political things, nobody is even saying that what is going to happen tomorrow, because we all know that in the morning, there is one scenario comes and in the evening, another scenario comes, amid global geopolitical things and it is really affecting the businesses in a big way. But despite of all these tough times, we are on the right track and during our discussions today, you will really get through it, what all we are doing, what all we did in past quarter and past year and what all roadmap we have ahead. So now once again, my big thanks to you all for joining this event today and looking forward to interact with you during the course of discussions.</p> <p>So over to you now JJ and Prabh to run through the presentation.</p>
<p>Mr. Jitender Jain</p>	<p>Thank you, sir. Thanks a lot. Good afternoon, friends. This is Jitender Jain, CFO of the company. A warm welcome to everyone. So this is basically the index, the topics which we will be discussing in detail.</p> <p>So this is basically overview of the company. We started in 1983. Our registered office is at New Delhi. We have two manufacturing locations. Our mother plant is at Gajraula and our second plant is at Noida. We have one Austrian subsidiary and we have a corporate office based at Noida and multiple warehouses in Europe. As MD sir has shared, we are proud to share that FY26, we achieved a consolidated revenue of 512 crores. We have almost 29 active customers and more than 1600 SKUs. Our product application goes to two-wheelers, three-wheelers, passenger cars, commercial trucks, and other vehicles.</p> <p>Our product range ranges from transmission gear, shafts, assemblies, chassis parts, precision parts, machining parts, etc. We are "A - " rated by care and listed on both the stock exchanges in India. We have all the core competencies</p>

	<p>of auto ancillaries, which you can think of, including gear cutting, precision machining, everything and we have all the company certifications which are required to run a plant.</p> <p>So this is basically the total revenue number for financial year 2026. We clocked a consolidated turnover of 512 crores. The breakup of that turnover is, the export turnover was about 346.68 crores and domestic turnover was 110 crores. Our other operating income was 33 crores and our other non-operating income was 22.48 crores. And our standalone revenue was 500.22 crores. The breakup of that is exports 336 crores, domestic 110 crores, and other operating income is 31.45 crores, and non-operating income is 22.46 crores.</p> <p>So this is the business segment distribution. Our overall turnover, 75% of our overall turnover was exports and 25% was domestic. On geographical distribution, around 69% of our turnover is in Europe, 29% is in India and other Asian Pacific countries and about 2% is going to US and Canada.</p> <p>If I talk about business segment distribution on the phases wise, our highest number is commercial vehicles. About 20% of our turnover is commercial vehicles, followed by recreational vehicles, which is 18%, Passenger car segment has grown to almost 13%.</p> <p>And tractor agriculture is 10% and other breakup is there in front of you.</p>
<p>Mr. Prabh Mehar Singh</p>	<p>Yes, JJ, I would like to add one thing for everyone. This part has always been evolving and changing and this has again changed significantly if you notice from last couple of years. So we started PAS Car business in 2021. I'm sorry, not 21, 2022-23, it was 0. Now 13% of our total revenue comes from PAS Car. This has been the, I would say new entrant for us and the next league of growth, we believe in next two to three years, you see this will change further. Similarly, commercial vehicle 2022-23 was maybe 7% to 8%, which is now 20% of our total revenue. Two wheeler was 40-45% now that is 30%. Tractor agriculture around 18%, 3-4 years back to around 10. No business has reduced. Everything has increased. But since the company size is growing now, our dependence on, I would say, two-wheeler or the agricultural segment where the products I would say competitiveness is higher, quality to value addition might be lesser. There the business is increasing, but other businesses are increasing at a higher rate and that is helping us also grow in terms of our value addition.</p> <p>And cost to component or cost to the customer is also higher in these challenging segments because here our quality aspects and customer requirements are very strong.</p> <p>Yeah, JJ.</p>

Mr. Jitender Jain

Thanks, Prabh. Yeah, thanks.

So this is consolidated financial performance for the financial year 2025-26. We have clocked a consolidated turnover of 512.42 crores as compared to 425 crores clocked in financial year 2024-25, representing a growth of more than 20%. Our EBITDA margins have grown from 94.94 crores, which was 22.34% to 229.16 crores, which is 25.21%, representing a growth of almost 36%.

However, the PBT has grown from 32.8 crores, which was 7.7% in financial year 2024-25 to 65.73 crores, representing 12.8% in financial year 2025-26, depicting a growth of more than 100%.

This is standalone performance. Standalone, our revenue has grown from 427.29 crores in financial year 2024-25 to 502.2 crores in financial year 2025-26, representing a growth of 17%.

Our EBITDA margins have grown from 96.22 crores, which was 22.52%, to 126.35 crores, which is 25.26%, representing a growth of more than 31%. However, the PBT has grown from 34.37 crores, which is 8.04%, to 63.14 crores, which is 12.62%, representing a growth of almost 84% in financial year 2025-26.

Coming to the quarterly consolidated performance, so quarterly consolidated, which is Q4 of this year versus Q4 of last year, turnover has grown from 92.23 crores in Q4 of last year to 136.69 crores in Q4 of this year, representing a growth of almost 48%.

Our EBITDA margins have grown from 24.15 crores, which was 26.18%, to 34.08 crores, which is 24.93%, representing a growth of 41.13%. However, the PBT has grown from 8.83 crores, which is 9.57%, to 16.91 crores, which is 12.37%, representing a growth of 91.5%.

Coming to the quarter on quarter standalone performance, our revenue has grown from 106 crores in Q4 of last year to 135 crores in Q4 of this year, representing a growth of 27.71%.

EBITDA has grown from 24.13 crores, which was 22.76% last year in quarter 4 to 33.23 crores, which is 24.54%, representing a growth of 37.7% and our PBT has grown from 8.95 crores, which was 8.44% in Q4 of last year, to 16.11 crores, which is 11.9%, representing a growth of almost 80%.

So we'll spend some time on this. These are our key financial ratios for financial year 2025-26. I'm happy to share that our cash generation, cash generated from operations has grown from 62.91 crores to 81.77 crores in financial year 2025-26, representing a growth of almost 30%.

All ratios have improved, whether it is current ratio, debt equity. I want a special focus on debt equity, which is 0.63 times, which used to be 1.3 times, but it has come down to 0.63 times. And our current ratio has also improved from 1.05 to 1.38.

And our DSCR and debt by EBITDA has also improved significantly. Our total debt from financial year 2024-25, which was almost 297 crores, has come down to 221 crores. But this is because of the equity infusion, which was done last year, which doesn't mean that we have stopped growing or we have stopped investing. As I have shared in last conference call also that our budgeted CAPEX plan for financial year 2026-27 is 77.45 crores and our

	<p>corresponding bank debt will be availed accordingly. And on the right hand corner side, you can see the profitability and other numbers as compared to last year. Our all gross profit, EBITDA, PBT, PAT, everything has grown as compared to last year.</p> <p>Over to you, Prabh.</p>
<p>Mr. Prabh Mehar Singh</p>	<p>Yeah, thanks JJ.</p> <p>So I think this is a slide which we have all been waiting, at least me personally, from 2019-20, we created this vision, and Sir, and the team together, that how can we reach 500 crores? I believe we should have reached last year, but as you know, last year was a bit demolished because of many external factors, including some issues at our customer end, but all of that is behind. We have achieved the milestone figure of 500 plus CR. This, despite the fact there are wars happening in the world, despite the fact there is a lot of stress on the coast, on the demand side and customer adaptability to new platforms like EV and, you know, the tariff war ongoing. So all of these things were never heard, never put into our budgets. Despite that, we have grown by 20% in terms of turnover and we are very happy that we have been able to achieve this milestone with all of you together.</p> <p>Now coming to the new project, so we are very proud to share that now we are revealing the name of the customer, which we bagged in January 2026. So as you know, we informed you, we got a big high volume project from a domestic premium motorcycle customer and that customer I'm proud to share is Royal Enfield. So Royal Enfield is now part of our product customer portfolio. We backed one more project in the last quarter other than two what is already working from January. This project will happen in Gajraula, our main plant. These are gears which will be having application in the transmission and the engine in terms of the gearbox which they are assembling. We will be starting production of this project in next couple of months. I would say we have submitted the samples. You can see the pictures above. These samples have now been submitted last week for validation. And like in the past, we had a quick validation with the customer. We are confident that this time also our parts will prove right. Hoping August - September, the commercial production should happen. This is for the high volume 350cc motorcycle engine which they work with. It's a five-speed gearbox.</p> <p>Another project which we will like to update is Kawasaki. Kawasaki India has been our customer for 2-3 years doing very minuscule business with them for their high engine CC. But being Japanese company, they start small and then they understand you and then they open the platform for you. So we are very happy to share we have received a very high volume, huge project from Kawasaki Japan wherein there are 15 parts which will come to us and one part has already started. It's small, but the 9 pilot lots which will be submitted now will result in the start of production we are anticipating early next year. This</p>

right now, as you know, is to be export. So then there are, you know, C times also considered in terms of the sample submission. So the SOP is to be October 27th. However, the validation and resourcing approvals and everything from January onwards, mass production should start. And the good thing is this engine, what you see is a general purpose engine. This is used in, you know, your sports utility vehicles, up to 200 CC motorcycles as well, lawn movers. So it is an engine which will have application across the products. So this is how the next league of our premium motorcycle portfolio is growing. We are proud to share that I think barring one or two brands in the world which are left, most of them are buying gears and gearboxes, transmission assemblies from us.

We will also like to give you an update on the projects for which we have been investing in last couple of years. So project Titan, which goes to BMW electric car, the final sign off is in August. The customer is visiting and then October '26, we can start the mass production, October or November, depending on how it is, but as of now it is October. Then this project, Venus, which was again BMW electric sports car, both of the projects are going into the same platform. So we have been getting samples being made by them from last 1 and 1/2 years. It is now in the final VS2PS, is what they call final stage. So August, they finally come and give approval. And then as we are writing that October-November onwards, the start of production should happen. There are many firsts for this project. So of course, when the project starts, we will share maybe in the next presentation, in the next con call, what kind of digital equipment we have put. We are very proud to share, both of these projects will be having zero paper for any kind of documentation. Everything is digital. It will have end-to-end traceability right from the steel mill to the finished product condition, each and every process, product, when it was made, who made it, what is the dimensional aspect. Each and every aspect will be traceable, documentable, and we have spent a good amount of effort and money, of course, to get this digital smart factory industry 4.0 concept. And it's actually sitting from here, we can virtually see everything what is happening in the plant. So we'd like to show something in the next presentation because then we are allowed to share. Project Crystal, as we told you, is for electric power steering system for the US market to be developed in India with ZF Rane, that sampling of 600 sets is already under validation in Mexico and US at our end customer end, which is our American OEM. And we are also working now to get this project running because this Titan and Venus will now enter start of production. This crystal will remain our main focus for prototyping and it is a huge capacity which needs to be built in. Huge investment needs to be aligned for which we will be doing a CapEx next year. And this will be the next big project which will be adding huge revenue for RACL in the coming years. But everything is on track on this project as well. This commercial track segment, as we told you, it's an electric power steering for the truck segment for ZF, again. They have already asked us to submit the samples. Samples should be leaving, I think, next week or end of this week.

Moment the samples are validated, this is, though a small volume, but the SOP should start from September-October of this year. This, as we said in the past, will help us getting business from American truck segment. At the moment, we'd have zero presence. And since this is a steering component, we are very confident that this will have adaptation into many of the trucks which are now being converting into electric steering systems because of, you know, ease of turning and then the electric trucks coming in. So the light weighting is one area where the ADAS coming in if the steering's are hydraulic systems, ADAS does not function. So you need electric steering's who can respond very in quick time to the sensors. So with the mass adaptation of ADAS and all these coming into trucks in US, so we believe this should be a good growth driver. Not this project, this is a small, but at least it will give us entry into the power steering systems for trucks and that to US market.

Another project which we gave update to you last year was this shift drum. As we told you, this is outside of our product portfolio. This is not a gear. This is something which enables a gear to be shifted. It is a shift drum. It is mounted on the transmission assembly. This also, despite the US Mexico issue is happening. Our start of production is next month and around 150,000 per annum volume will be there. And we have this is start of one part number, but there are six to seven part numbers which in the next one year or so will keep adding on this Customer volume.

In the end, some awards. So we won this outstanding social responsibility award. As you know, we are a green manufacturer and the kind of manufacturing practices which we have deployed in our plants are sustainable, are green and ethical in terms of corporate governance and, you know, disclosures.

We were awarded this and we have this awarded by Grindex 2026. They recognized as organizations demonstrating excellence in technology, manufacturing and responsible business practices. And also we are very happy to share that this year onwards, we will be also reporting our carbon emission numbers since we want to be outside the league of a conventional Indian ecosystem where carbon footprint is never calculated and even if calculated never reported. So we will like to do that every quarter just to have an idea of how our sustainable operations are. So next quarter onwards, you will see some disclosures on that as well. This is one other area where we did some you know, tree plantation. So we will be deploying roughly 2500 trees in and around of our company premises. You know, green cover is something which helps all of us. This is just to reduce our carbon footprint, though it is zero in scope two, but yes, in scope three and one there is there. So It is a small effort to improve that.

That's it. So I don't think there are any other slides which I have to share. We don't have any pre-registered questions. If anybody has a question, please you can raise your hands or you can write in the chat window. We can take up the questions.

So raise of hands is how you can do from above and chat is also there. So if there are any questions, we can answer. Okay, so we have one raise of hand.

	Maybe others are shy or I don't know, you can try raising, but I'm unmuting Mr. Jainam. Sir, you can unmute yourself and ask the question.
Mr. Jainam Madrecha	Yeah, thank you for giving me the opportunity. Yeah, so my question, first question is on the Royal Enfield business that we have sort of recently cracked. What would be our per kit value in this business and what sort of TAM in terms of number of bikes for Royal Enfield we are looking at in this business. And lastly, is there a possibility of moving from gear to assemblies as well in this business?
Mr. Prabh Mehar Singh	Yes, so I would answer that for you. First question was that which application, sir, this will be for the 350cc engine. Now that engine might have platform sharing, so I can't really comment on that. But this goes to the 350cc engine motorcycle, which is their bread and butter. Second question was with respect to what exactly our per kit value is. That is difficult for us to mention that since that is not a public number. And what was your third question? Maybe you...
Mr. Jainam Madrecha	Is there a possibility of moving beyond gears and getting into assemblies?
Mr. Prabh Mehar Singh	Yeah, for this at the moment, sir, no customer is not wanting fully assembled. Though we are equipped, we are doing the similar for other companies like TVS and KTM. We are doing full gearboxes for them. But for them, since they already have operations in-house, so they will at the moment want to stick on that. But yeah, if that is an opportunity in terms of technical know-how and capability, we are equipped.
Mr. Jainam Madrecha	Understood. And sir, on our TVS Norton and RTX 400 business, what sort of possible scale do you think you can reach with that particular business?
Mr. Gursharan Singh	I'll answer this question. Yes, Mr. Jainam, you know, Norton, as you all know, that Norton is now having lots and lots of media presence for this high-premium bikes. You know, first of all, Norton is a brand which is just launched into the market after I think complete closure for almost 10 years. So it is going to be a very, very niche market. And particularly the first model which is the launch is a 1.2 litre bike. So this is always meant to have a very, very small and niche market. But yes, the way TVS is branding it, the way TVS is spending time and effort on this brand, definitely it will grow in big numbers. But obviously this year they have raised some very, very humble numbers, but we really feel that these numbers should sustain, but since we are also bound with confidentiality, we can't really disclose exactly those numbers, but they are reasonably good volumes and in coming year they should grow. So, you're right that Norton is a brand which will be a brand of the future.
Mr. Jainam Madrecha	Understood, sir, and sir, just on growth part, so we have we have guided for like 20% of growth moving forward, but now, like earlier, our growth was slowed down because of multiple issues, first in Europe market, then in there

	<p>was KTM bankruptcy that happened. Now that everything is sort of kicking in all together, why can't we grow beyond 20%?</p>
<p>Mr. Gursharan Singh</p>	<p>Sir, 20% of 400 crores is 80 crores and 20% of 500 crores is 100 crores. So we have to grow in terms of absolute numbers also. But you know, growth, first of all, gear business is very, very highly capital intensive product and the markets are the segment which we are into because we are into the premium and niche segment, super premium bikes, so they are luxury bikes. So there the technology required or the investment required are too high. So first of all, we are not saying that we are not growing, we are growing with very good numbers. what we are doing in a sustainable way, growth which we can manage, growth which is sustainable in the long run, and growth which takes care of our investments. You know, one wants to always have a safe investment, an investment which we make on plant and machine, we make only to get the business.</p> <p>So this has to really remain our core strategy, but in percentage terms, if we really target the certain percentage in absolute numbers, this keeps on expanding. So as I told you, previous year growth was 20%, 80 crores.</p> <p>This year, if we grow 20%, it will be 100 crores. So still we are growing X. But definitely, thanks for giving such an inspiring message to us. We'll work together to how we can really break up our growth numbers further.</p>
<p>Mr. Prabh Mehar Singh</p>	<p>And to add that growing 20, 25, 30, the difference is not the business, the difference is sustaining that growth because our product is highly complicated, highly precision oriented. We don't want to end up doing everything in haste and tomorrow be a very poor quality supplier. Second, we as Sir said, adding investments in terms of plant and machinery has its own lead time, has its own costs which need to be recovered, and then a team which should be at that level managing that growth. So we have to be a sustainable growth organization, 20%, mind you, growing from barring last year, if you add compounded annually, at least in the other, if I talk about competition in the gear business, organic gear, people are making sensors, people are making electronic parts, okay, they can grow, but only who are doing gears in such high precision shafts, 20% is also very difficult to match. We are always wanting to grow more, but these are the part and parcel of the growth which we have to also take care of.</p>
<p>Mr. Jainam Madrecha</p>	<p>Understood, sir. And lastly, sir, just one question on like, since we will need a CAPEX to sort of grow beyond certain, so we are given guidance for FY27. What sort of like CAPEX we would require beyond FY27? For like reaching a near mid-term to long-term target of 1000 crores.</p>
<p>Mr. Gursharan Singh</p>	<p>We have already disclosed numbers for 202627, what CAPEX we are doing. Let the time come mature, because we are also preparing documents for that. As and when they are ready, within due course of time, we'll inform that also. But you can definitely make out that our crystal project is going to come in a big way. Obviously, it will have additional investments.</p> <p>But the moment we are ready with all the numbers, we'll definitely. It will be our obligation and it will be our endeavour to share with all of our investors in due course of time.</p>

Mr. Prabh Mehar Singh	Okay. So now I'll mute you, Mr. Jainam. We'll come back to you if there are more questions, because we don't have more questions, so of course we'll come back to you.
Mr. Jainam Madrecha	Sure. Thank you for giving me the opportunity.
Mr. Gursharan Singh	So, there is one question in the chat window
Mr. Prabh Mehar Singh	Yeah, now before we go to chat, maybe we have one more raise of hand, we can take that and then we can go to chat. So I think Preet, I don't know if that's a mr or miss, but Preet, I have unmuted. Can you unmute yourself?
Mr. Gursharan Singh	Hello, Preet, can you unmute yourself?
Mr. Prabh Mehar Singh	He is unable to unmute. Can you try now? Maybe so you can rejoin and then you can try again.
Mr. Gursharan Singh	Then, in the meantime, unmute Ramanjit.
Mr. Prabh Mehar Singh	Yes. Mr. Ramanjit, you can unmute yourself. Yeah, please ask question.
Mr. Ramanjit Singh	Yeah. Am I audible?
Mr. Gursharan Singh	Yeah.
Mr. Prabh Mehar Singh	Yes, sir.
Mr. Ramanjit Singh	Thank you. Thanks, first of all, for this call. I just wanted to know about the, you know, automatic transmission for EVs. Do we, how do we see us playing into that? Because what I understand and I understand, maybe you can explain it more is that it is something which requires a lot of finishing. It is something to get it to. I'm referring to tier 1 suppliers, so where do we see our company over there?
Mr. Gursharan Singh	I'll answer you. First of all, in EVs, there is no concept of automatic transmission. In EVs, there is always a reduction gearbox. And our first project, Venus, which we always say, that goes into a BMW electric car, and that is part of the reduction gearbox. In EVs, there are no automatic transmission. There is always a reduction gearbox. And BMW is our core project, which is already, as Prabh already explained to you, that within the next couple of months, this project is going to mass production. And you can understand that BMW itself is a very, very major player into the EV market, and eventually, once this project becomes

	<p>successful, it opens up vistas of growth for us, also, not only with BMW but with other customers as well.</p>
<p>Mr. Prabh Singh</p>	<p>And just to add what sir is saying, basically, yes, the reduction gear set reduces the number of gears to three, to four, and we are also being part of it. But what is happening is if you are noticing the cars which are now being developed, the people have, car companies have stopped testing in battery technology in the sense, a Mercedes or a BMW or a Porsche, if an engine was different, there are too many things to talk about. What is the ratio? What is the power output? Now that is quite common. So everybody is able to make fast cars. That is not the differentiator anymore, at least in the electric landscape. What the differentiator right now the companies are doing is they're investing a lot in the chassis technology. Now, which suspension is more, you know, soft? Can the car go on the road without any potholes? What is the, like, you have steering mechanisms that how can you shorten the turning radius because electric cars have a longer wheelbase? And then they are putting in a lot of I can use the word gimmicks like, you know, you see BYD cars which are dancing and all those kind of things. So what is happening is now companies want to have a differentiator on safety, on comfort, and the usability. So we have whatever you see in 13% growth. We are also growing in that segment. So in car segment, we are not making just the gears. We are doing many components which might have gears, but the application is different. You can refer to our earlier slides, maybe a year back we talked about RACL 3.0. We are growing in the electrical power steering system that irrespective it is electric car or a fuel steering system. If it is electric, it can be used in both.</p> <p>We are doing some roll control parts, which goes to the chassis of a BMW 7 or those kind of cars. We are working on reverse steering systems. If you turn the front tires, reverse tyres will also rotate now. So we, the growth for us in pas car segment is in such areas, such products, which are not heard of, at least in the last generation of cars. So this is how electric mobility and though gears still remain, as sir said, BMW, we are making the gears as well for the different application, but yes, it's a gear. So that is how the electric mobility is shaping up.</p>
<p>Mr. Ramanjit Singh</p>	<p>Okay, thanks. And Prabh, I would want to step into one of the tweets that you had made previously, and it was quite interesting in terms of the manufacturing basis moving to maybe Eastern Europe. So if you could elaborate a bit on how it impacts us, what are the challenges or what are the opportunities that opens up for us? That would be great. Thank you.</p>
<p>Mr. Prabh Singh</p>	<p>So, at least in my personal experience, that is my personal opinion. But eventually how I am witnessing is that the Germans or the DAC region, the so-called initial industrial revolution or the manufacturing kings, they have now command on designs on R&D and since they believe of course, in terms of even if I take out the automotive, even a defence or anything else, in the Western ecosystem, the costs are going very high. So now what they're doing is they want to focus a lot on design, on R&D, on innovation, which of course has a high cost labour or a high cost people to be used for such kind of you know,</p>

	<p>innovations. Eastern Europe is now coming up for the manufacturing. So Eastern Europe has the same discipline of Western Europe. They are putting up their plants. They're just moving their plants to Eastern Europe where the manpower is available, I would say, at a cheaper rate, where the systems are still European.</p> <p>The laws are still in terms of, you know, employment, the local laws of, you know, how much the wages should be there. So there is no exploitation, which they fear in the eastern side. And since now the cost is being checked by moving their manufacturing plants to the east, which are mind you still owned by them, just the location changes, they are seeing a huge demand now coming in because now they are able to compete. if not totally with China, but at least in the American context, the costs have gone down. Now, since the costs not gone down, but costs are corrected, the demand will increase. And this is where you are seeing a lot of offshoring is happening to India, Indonesia, maybe Thailand, because now the plants in Eastern Europe are more efficient, they're more fast, the output is higher, they're working on six days, maybe seven days if needed. So that is helping companies like us to grow our sub-assembly base, grow our component base, because China is a risk nobody wants to take, but India and even Thailand, and if you go more down Philippines, these countries are coming up to support this, you know, re-industrialization, if I can call it, which is happening in the West. Still in Europe, but geographically, Eastern Europe is more easier to manage.</p>
<p>Mr. Gursharan Singh</p>	<p>I'll add what Prabh has said. You know, when you say business shifting to Eastern Europe, so Prabh has rightly said that business of hard core manufacturing is shifting from, say, Central Europe, like Germany or Austria or Switzerland or Belgium to European countries like Eastern European countries like Hungary, Romania, Slovakia or so on.</p>
<p>Mr. Prabh Mehar Singh</p>	<p>Correct.</p>
<p>Mr. Gursharan Singh</p>	<p>But the real business is shifting of making the assembly of those cars or system and all mechanical components, Eastern Europe also is not ready for doing, taking mechanical manufacturing in a big way. So now, Central Europe earlier, maybe five years back, 10 years back, if any need was there, they were all looking at China. Now, there's always a China plus one strategy by all Central European major players. Now, their hardcore manufacturing, they have shifted to, say, Eastern European countries. From mechanical components, they are still looking beyond Central Europe or Eastern Europe. And then eventually they have the choice of going to China or other Asian countries, and technically India has the biggest competitive advantage.</p> <p>Because I should not be making this statement on a public forum, but yes, China, and European countries are not really going to work in a big way in the</p>

	<p>future. It's not that they don't want to work with China, but eventually there are certain strategic issues due to which they are looking beyond China. So India has rather a competitive edge because India will be something in between. I think geographically also we are located between China and European countries and in business strategy wise also we are something in between. So business, there is a lot of opportunity of mechanical components to be shifted from China or other Asian countries to India. For electronics, semiconductors and all such things, still there are lots and lots of challenges for the European countries also. And there Eastern Europe may also again become one of the choice because these electronic components are highly automated plants. So there the manpower doesn't become that an issue. Eastern European countries, their manpower index is lower as compared to Central European, but Indian and Eastern European Still, there is a huge gap, so there, wherever there is a manpower involved, there, India has a very, very competitive edge. And incidentally, in our product or mechanical components in general, and gears and all such stuff in particular, there is a lot of scope because these components can never be very, very highly automated. So manpower content is always there. So irrespective, it is Central Europe or Eastern Europe, India will always remain competitive, and there we always find a big opportunity for us.</p>
<p>Mr. Ramanjit Singh</p>	<p>So, in terms of, internal discussions that we might have had for these opportunities, what are the areas where we feel that we need to, you know, kind of improve or, you know, in terms of supply chain consolidation?</p>
<p>Mr. Gursharan Singh</p>	<p>We already explained to you that, you know, first of all, whether it is Eastern Europe or Central Europe, we say is Europe, biggest important thing is as in today's sustainability, ESG compliance. So that is the biggest advantage which our company has already had identified. This need maybe five years back. Since we are in doing within the Europe for the last 15 years, we know which way Europe is looking at. In sustainability, I'm not saying that China is not careful about sustainability, but there is a transparency issue. This European companies realise very well. Whereas they have a very, very good trust factor on Indian companies. And our company has identified the sustainability and ESG compliance as a biggest driver for the future. Now, when you say about supply chain consolidation and all, again, India as a country and our company in particular, again, as a competitive edge, India has a very, very good control of the energy cost, despite, leave aside these, turmoil which has happened for the last three, four months because of geopolitical things. But India's energy situation is very good. Thanks to Sun God, our dependence on solar has really improved a lot in past few years, and this will go a long way in managing our energy costs in a big way, country as a whole. Then second is important is steel. India is the second largest steel producer in the world. Now, Europeans again have a big constraint of the steel availability. Again, I'm saying that supply chain condition of steel, vis-a-vis European manufacturers, India as a country as a competitive edge, and then obviously we being in India, we again get this advantage. So this is how things are shaping up for the future and we are very, very optimistic for the coming</p>

	years, despite all these global challenges. And biggest thing, European Union has an FDA done with the Indian government. That also has to come in a big way, although that norms will be applicable from 1st January, but for future that is also taking care of sustainable interest between Europe and India and American FBI, let's really see how it takes.
Mr. Ramanjit Singh	Okay, thank you.
Mr. Prabh Mehar Singh	So Mr. Singh, do you have any other question, or I can come back?
Mr. Ramanjit Singh	No, that's all. Thank you. Thanks, both of you, and best of luck.
Mr. Prabh Mehar Singh	Thank you, sir. Okay
Mr. Gursharan Singh	Thank you.
Mr. Prabh Mehar Singh	Okay, maybe Preet, you can try now to unmute your mic or we come back to you may be via email. Preet, can you unmute? No. Okay, so...
Mr. Gursharan Singh	Maybe Mr. Harshit Mehta.
Mr. Prabh Mehar Singh	Yeah.
Mr. Harshit Mehta	Yes, sir, am I audible?
Mr. Prabh Mehar Singh	Yes, please.
Mr. Gursharan Singh	Yes
Mr. Prabh Mehar Singh	Okay
Mr. Harshit Mehta	First of all, thanks for the opportunity and congratulations on the brilliant set of numbers. So my question was that exports are currently around 70-72 percent of the revenue with heavy exposure to Europe and Japan. So with the global trade policy uncertainty, that is the US tariffs, European auto demand slowdown, so how are you managing the potential currency risk and the order slowdowns from European OEMs or has there been any slowdown actually?
Mr. Gursharan Singh	This is a very, very positive question and very, very positive answer we'll give. So far we are not witnessing any slowdown. Demand is really robust. So, I'll sum up in a big way, and as far as tariffs and all, you know, as you had already seen our pie chart, our dollar exports to U.S. is hardly 2-3%, but through European Union or Mexico or Canada, we are exporting regularly, and

	<p>so far there are no such challenges, but generally we are getting feedbacks from the system, various agencies that whatever tariffs and all have been imposed by United States</p> <p>Eventually, this is obvious very clearly that no supplier is paying the tariff. Tariff is always being borne by the consumer. So eventually, if any of the OEM is shipping any truck or car or tractor or motorcycle to US, so tariff has to be paid by the customer. So eventually this demand is being absorbed by U.S. market So far, our experience is this that tariffs are there, but they are not hurting the consumer sentiment. That means they are not hurting the supplier segment. Bigger pressures are there. It's not the pressure are not there. Customers are always asking some reductions there or there. But no, because of geopolitical things, a lot of inflations are also happening. So the system is really gradually fine-tuned to the new norms of the world.</p>
Mr. Harshit Mehta	<p>Answer regarding the commercial vehicle contribution, it has expanded significantly in the financial year to almost around 20% if I'm not wrong. So is this from new customer wins or existing customers scaling up and what margin do CV components carry?</p>
Mr. Gursharan Singh	<p>It is a existing customers, because actually in, you know, European Union, you might have already seen this from various factors that European Union is spending a lot on infrastructure and defence spending because of this first Russia, Ukraine issue and then this current turmoil. European Union also understand that they have to invest a lot on security, defence and all such infrastructure. And incidentally, our customer is having its presence in this segment in a big way. So commercial vehicle business in Europe is going very robust and due to which our demand is rising.</p>
Mr. Prabh Mehar Singh	<p>And also, all this demand also comes from rehabilitation materials which go to these terror hit or, you know, any countries, so that also increases the truck demand and reconstruction.</p>
Mr. Gursharan Singh	<p>So what happens whenever the ocean traffic is hurt, the traffic moves to the road transport. So road transport then demand increases. So we should not be saying that ocean traffic should be disturbed because costs are really going up in a big way on the road traffic. But yes, road transport demand is increasing, and this demand is going robust, and one more thing.</p>
Mr. Prabh Mehar Singh	<p>And also our domestic commercial business is growing, commercial trucks with this.</p>
Mr. Gursharan Singh	<p>Yeah, yes. And one more thing I'll tell you, this our customer was MAN Trucks only. Actually, we had a four-year roadmap with them for resourcing of the entire business. So 2025 was the last year when the entire mass production was to start.</p> <p>So that is the reason in the previous year, as the last year, we had the now. big growth because the last segment of the, you know, we started this project of resourcing because MAN was producing these gears historically in their own company. So we started this journey from 2021. So every year they were shutting down their line and some parts they were shifting. So 2025 was the last year. So now all the products have been fully relocated to</p>

	our location. So eventually that demand has also grown. Now it doesn't mean that every year it will grow by 20%, but yes, since this was a four year roadmap, now it has come to the full scale level. Now it will have only organic growth. So that is also one of the influencing factor.
Mr. Harshit Mehta	Okay, so I got it. And so one last question, what margin do the CV components carry relative to the two-wheeler?
Mr. Gursharan Singh	Yeah, it will be not feasible for us to share this information on such domain because we always work on the consolidated figure. You know, business is always a basket. So sharing the individual baskets, then it will become too difficult for us to share but overall margins are good, so you can very well make out that if any business is 20% of your revenue, so nobody will do a business which is cross-subsidizing each other. So generally they are in the same way, I would say.
Mr. Harshit Mehta	Got it, sir. Thank you so much.
Mr. Gursharan Singh	Thank you, dear. Thank you. Prabh, I think now, Mr Piyush Jain is here.
Mr. Prabh Mehar Singh	No, I think...
Mr. Gursharan Singh	Can you unmute Mr. PiyushJain.
Mr. Prabh Mehar Singh	Okay
Mr. Piyush Jain	Hello?
Mr. Prabh Mehar Singh	Yes, Mr. Jain.
Mr. Gursharan Singh	Yes, Mr. Jain.
Mr. Piyush Jain	Hello, am I audible? Yeah, sir, congratulations on achieving this 500 crore number. Just one question, I don't know whether you will answer it or not. So when we can see 1000 crore, 29 30 or 31? I'm not asking any forward guidance. Now the next journey is 1000 Crore.
Mr. Gursharan Singh	Yeah. When do you want it?
Mr. Piyush Jain	Because 500 crore is done, I know we are late one year. But I want '29.
Mr. Gursharan Singh	Oh, you want '29, so then you and me will then jointly we give this target to Prabh. Now, he should really work, making '29 as 1000 Cr, so I'm citing by you.
Mr. Piyush Jain	10-20 crores here and there I will not complain, but...

	<p>So, we should be touching like this one year, whatever we lost last year, because last year our number was more or less 470 crore, something 420 something number, so, and last year was flat. Now, sir, we have good pipeline, but we get to know today it's also the domestic.</p> <p>In January, we disclose this case, the domestic mass production come, we will do this order. So now the Eicher is there, now the BMW SOP, I think also will start in this October '26 or somewhere, correct?</p>
Mr. Gursharan Singh	<p>Yeah, yes, it is, yes.</p> <p>Mr. Jain, your wish list is the wish list for all of our investors and it is a big task and challenge and what you mentioned for all of us.</p>
Mr. Piyush Jain	<p>I Know and I have that confidence that we will be achieving this but I just want lets achieve this number before 2030.</p>
Mr. Prabh Mehar Singh	<p>We will, we will, we will answer you how the central government is answering. Hundred is just a number. People ask them why dollar is reaching 100, so we will it is also just a number, so you should not focus on numbers, but yes, to answer you, it is very clear we as RACL are focused fully to grow this organisation to what we were in terms of last five years. Despite, you know, KTM was one of the biggest customers for us, even that year, we grew by 1% when their shop was shut for six months. And as you rightly said, with all of these new customers which have come in, we are very positive and hopeful that we are thinking beyond 1000, because again, 1000 is just a number. It is also about the livelihoods, the people, we should not just grow. At the sake of growing, we should grow sustainably. It's people, it's their jobs, it's bankers, it's their money. So we should invest in right equipments. So we will never rush for the numbers, that 1000 this year or 100 that year. But yes, vision wise, we are very much focused to achieve in next three to five years, this 1000 crore milestone. However, if we can achieve early, then I know the next target will be 2000. So we will then renegotiate that.</p>
Mr. Piyush Jain	<p>Sure. Only one question, one question on business side. How the business is going with respect to ZF, because earlier we started with ZF, then we got a lot of lot of more products and components from ZF. So what is happening towards this, the flow of the orders in it? And second, maybe last, Call or last to last call, we got some empanelment or some clear clearance from BHEL with related to industrial gears or something. Any development on that side? Just want to know on these two aspects.</p>
Mr. Gursharan Singh	<p>I will answer you. I will answer you on both the questions. For the word ZF, yes, in previous year, last year there was some challenges. Now this year onwards, things are really looking good and I think they plateaued last year and now they are growing. So we are on a good way and things are really looking up.</p> <p>And we already started getting good orders and all. And with BHEL, you're right, we already got the empanelment Now we are on the approved vendor list and we have already started making supplies. But since it is a highly sensitive and industrial product, so we are not supposed to Place on the public</p>

	domain what all parts and what all we are doing, but yes, but we are on a good start. I can only say you that some of the critical equipment are running on our gears via BHEL, so this is a general statement I can make. Beyond this, since it a safety and security issue.
Mr. Piyush Jain	No issue, Sir, no issue, yeah.
Mr. Prabh Mehar Singh	We can give a small hint, it keeps the nation and the sea safe.
Mr. Piyush Jain	No issue, no issue.
Mr. Gursharan Singh	yes, exactly.
Mr. Piyush Jain	No, no issue. I just wanted to understand whether any progress happened on that side.
Mr. Prabh Mehar Singh	Yes, we are submitting the sample. We are submitting the samples.
Mr. Gursharan Singh	Progress is very much there. No, no, Prabh, now mass production has already started and some, I do not know some of the, don't take it as a public statement, but maybe some of the components are right now running across the homestate also, don't worry. No, but we are on the good way, yeah.
Mr. Piyush Jain	Just on last question. Yeah, last question, sir. Whatever the product right now that developed or R&D stage for which the SOP come in the '26 end of the year or '27, anything we are pursuing towards our R&D side, for the further, let's say after 1000, what any new product or anything, something which on which we are working either in isolation or with any partner, something, maybe today it is not on the prototype or something, but maybe in future it will come. Anything on which working, not asking any number, even a theoretical answer will also help me.
Mr. Gursharan Singh	I will sum up in a one liner thing. It's very clear. If we drew a vision of a 500 crore company in 24-25, this vision was drafted maybe 4-5 years back. So definitely those visions are placed in order, fit many, many contingency plans, and then eventually something fails, something succeeds, it's very good. And then it happens. Same way, now you're saying 500 to 1000 or beyond. Obviously, we have to go 500 to 1000 or beyond. Definitely, we have to work on various, various platforms. various strategies, but you know, no management, no company will disclose anything until things are taken shape. You know, today is a free world, it is an open world, and it is a very, very dog eats dog world. If we share the vision and strategies until they are fully in place, to outside world, then definitely you'll lose your first foot, because you know, RACL as a company always has a first foot where there is no crowd. OK, we put our foot over there, but we have to be very, very cautious. If you share with 100 people, then all 100 will be there.

	Then again, we have to fight with the crowd. So let the things mature down and definitely you will be the first to be shared with. Prabh, you want to add anything?
Mr. Prabh Mehar Singh	But... But yeah, but to give you a better, I mean a more transparent answer, so I'll share you one document which we, I and Sir prepared in 2019. It is on my it is on my desktop since 2019 only. The 500 crore was not a number we put it how we will grow. It is just English only, but I'll just show you.
Mr. Piyush Jain	Okay.
Mr. Prabh Mehar Singh	And we are preparing similarly 1000, which we cannot share, of course, as I said, but I'll quickly show you the screen, maybe helps you. So, like, this is how we go into details. Like, we imagine this in, you know, 2019, I still remember that we want to be 5 billion company, but 25. We said 25, not financial year, so we are still saved. And we were clear, we want to enter into the PASCAR. How we enter was clear. Then we wanted to reduce our three-wheeler application. At that time, we knew electric mobility was coming up. Investment in technology was clear. That is how we prepared a five-year Capex plan. And also this R&D tie-ups, you know, we created this document that we have to have R&D tie-ups. And as you know, we did that with ARRK. It's a Munich-based R&D house, which we have now tied up. And so there are many things which we envision, but we don't disclose.
Mr. Gursharan Singh	Prabh, My compliments to you. You have a very good document storage system because I didn't remember that this paper was made, but the compliments to you, it's actually good.
Mr. Prabh Mehar Singh	Yeah.
Mr. Piyush Jain	Prabh, I will only say because I saw one number, which I think you understated market cap so much. It was very small number you put into the market cap. I think we have overachieved it.
Mr. Gursharan Singh	That's your confidence. That's the confidence posed by You.
Mr. Prabh Mehar Singh	Yeah
Mr. Piyush Jain	No, the number was there in the document, which, if I saw correctly, then the number was very less, we have already overachieved that number, and by far, far bigger margin.
Mr. Prabh Mehar Singh	Yeah. Sir, that number is not in my hand now, that is why I don't have a good estimation.

Mr. Piyush Jain	No, no, I'm not saying.
Mr. Gursharan Singh	OK, So let's conclude this discussion on a lighter note, you gave us a target of 1000 crores by '29, so what numbers you are giving on the market cap?
Mr. Prabh Mehar Singh	Sir. Your voice is cracking.
Mr. Piyush Jain	<p>I am with RACL from 2020 and I'm not focusing on market cap, I'm only focusing on the turnover and the EBITDA impact of the number of the company.</p> <p>So, I don't want to focus, I don't want to focus on the market cap, because then I will limit my, I will limit my target of something. So, after 2029, when you will touch 1000, then we will discuss about 1500 and 2000. We will not discuss anything, because, as an entrepreneur, I will never ask you what Market cap, you are thinking and anticipating, and I'm also not thinking on those lines. If you keep delivering such business, RACL will keep delivering business, market cap will automatically happen.</p>
Mr. Gursharan Singh	<p>So then we are finalising our vision document. This time we'll not write any market cap. OK, let that be. But definitely market cap is just a mere number for us because for investors certainly. Yes, you guys are our pillar of strength in creating the market cap. It's not within our hands. What is in our hands is just to make this company grow and make investments of all of our people, all of our investors, make them a safe place to invest. So definitely market cap, you are right in saying that market gap for us. It doesn't matter. For us, actually, it is an Investor confidence and trust. Because our market cap is our trusted investors, which you all are there. And my real thanks that every time when we do that con call, we always have 50, 60 investors and we always have very, very positive and happy discussions and really let this journey of togetherness always remain together. Yes, thank you.</p> <p>Prabh, I think we shall unmute Preet again.</p>
Mr. Prabh Mehar Singh	I think we have now registered questions we can take one by one, and you and I can answer.
Mr. Prabh Mehar Singh	<p>No, no, he is unable to do that. We have tried two times, so we can lower their hand. But they have asked questions we can answer later. So first is Manish Gupta is asking, how does one think about revenue potential of the new projects you have won? Can you give a broad sense basis volume and kit value? Sir, revenue well, potential wise, we will not like to disclose since this is a highly competitive business. There are competitors also learning. But volume wise, I can tell you this, whatever they are asking, we are not able to meet because they have high volume. We are still understanding the cost metrics. In the last five to six months, we have done some business, so we are seeing how the profitability is. But in terms of basic numbers, around, I would say, 10 to</p>

	<p>20,000 motorcycles will be running on our parts if we are able to meet what they're asking.</p> <p>If we can do more, they can take more. Our Royal Enfield is a big customer. Kawasaki, not a very high volume, but value-wise, yeah, we at the moment have not, it's not handy with me, but we can come back to you on this.</p> <p>Ashwin Karthik has a question, maybe sir you can answer. Last year you called out aerospace and defence as medium term agencies. You also participated in some defence expos and completed onboarding as BHEL. Is there any news to share regarding these verticals? How are things progressing?</p> <p>Do you have any qualitative input on the types of products we are exploring for defence and aero? Yeah.</p>
<p>Mr. Gursharan Singh</p>	<p>I think, Prabh we have already answered this.</p>
<p>Mr. Gursharan Singh</p>	<p>Yes, on this debt, yeah Ashwinji, first of all, last year we reduced the debt, because we raised some fresh funds and you have already seen from the numbers, we were able to deploy the entire funds in debt reduction. But I will say in coming years, we have already repeated time and again that our product is a highly capital intensive product that definitely need to raise debt will always be there. But you know, debt is not a bad word. Debt becomes bad only if you borrow injudiciously, and then you spend injudiciously.</p> <p>So we have a very, very strict fiscal discipline in borrowing. We borrow only when there is an assured business and we invest only judiciously where there is a sustained and justified profitability. And that's the reason you always find that our EBITDA margins or the PBT margins are always better than the benchmark industry. So Debt is, you know, never a dirty word, but you know, debt becomes always a nuisance when you raise debt without an industry level cost. So we'll always say that the need to raise debt will always be there, but how and when it all will be business based.</p> <p>But I again reiterate that RACL will never, never borrow money until there is an assured business. Because we never invest on anticipation of business. Okay, we raise fund, we raise the borrowing and create the plant and machinery, create the investment, and then we start hunting for the business.</p> <p>That becomes dangerous, so that strategy will always remain. I hope I have been able to answer your question to your satisfaction.</p>
<p>Mr. Prabh Mehar Singh</p>	<p>The next question is from Yatin that also is answered in previous questions. Next question is from Mr. Abhisar Jain. He's asking on RE business. Can you indicate, I think this was also answered, but you are saying that supply chain needed some ramp up. Yes, supply chain needed some investments.</p> <p>Those investments we lined up in the last quarter. So now we will ramp up RE to the levels we were working. So right now we are at 10,000 motorcycles. We want to go to 20. We cannot go to 20 immediately, but let's see, we have to also manage this 10,000 since capacities and everything else has to be managed.</p>

	<p>New engine gear business can start immediately. Samples have been submitted maybe in two months. Our capacities are already aligned. Supplier side, I was actually at a supplier yesterday, so we are finalising that. So by August, I think this can start. And there is one more project with RE which we are discussing. So if that also comes in So RE should be a good substantial customer for us in the coming years.</p>
Mr. Gursharan Singh	<p>I'll also answer one question which is in chat box by Mr. Shivam Dogaya. I spelled correctly.</p>
Mr. Prabh Mehar Singh	<p>YES.</p>
Mr. Gursharan Singh	<p>I'll just answer you. Raw material consumption is why and why is all domestic raw materials. We are not importing any major raw materials. Some child parts, some BOP components, like some bearings or some oil seals and all we are importing. But they are hardly, maybe not even two or three percent of the total imports or maybe upper limit 5 percent. But all other raw materials are essentially domestic raw materials. And as I explained in one of my earlier answers, here lies the competitive edge of India. We are the second largest steel manufacturer of the world. And That is a competitive advantage with Indian manufacturers, and we maintain that. And RE and all, we always have explained that high volume business will have always a different profitability, but definitely in nutshell, RE will know businesses which is not profitable to us. And RE was just started a few months back. So over a period of time, we'll Definitely achieve our desired EBITDA margin numbers, yes.</p>
Mr. Prabh Mehar Singh	<p>Yeah, next. Next, I think on this ROCE, I believe. All things are already answered on numbers in the presentation. Middle East issues have led to issues at OEM level, especially in the EU. Will it affect as well? And he's saying we ourselves struggle because of unavailability. Oh, okay. RACLstruggled because of unavailability, are those concerns behind us? We passed all cost. Sir, EU, I don't think there are any issues faced by OEMs. As far as our OEMs are concerned, they are actually not really hit. Yes, a lot of our other supply chain are hit in India. But cost is one thing which we are very much focusing in these months. The inflations are serious, they are very high. We are speaking to our customers for some interim support. But I think there are no major concerns in terms of this Middle East in terms of demand. On cost, there are pressures, but we are working to resolve that. Then I think Preet is asking gross for Q4 gross margin, why lower. So we don't see business quarter to quarter. It is growing in terms of margin. Sometimes some expenses are booked in Q3, some in Q4, so sometimes there's a spillover which happens. RM basket, how it has moved due to this inflationary</p>

	<p>environments and inflation will now affect. Let's see how that comes out. We are also keeping a very tight rope. Prices are very high for inputs, but we are also speaking very aggressively to our customers in exports. This currency helps us since rupee is also depreciating, so that takes some part of the inflations for us. Last is we have guidance of 565 plus minus 5% for FY27 in Q3. So many developments will be coming in. So are we revising any guidance? At the moment, we are not because this plus minus 5 is a flexibility which we will keep. But yeah, we are very confident we should be able to meet whatever we are giving as a guidance.</p> <p>Neha, then I think we answered all the questions. If you want to do the closing? Yeah, yeah.</p>
<p>Ms. Neha Bahal</p>	<p>On behalf of the management of RACL Geartech Limited, I would like to express our sincere gratitude to all the participants for joining us today and for your continued interest in the Company. We greatly value your insightful questions, constructive feedback, and ongoing support. I would also like to thank our management team for sharing their perspectives and addressing the queries raised during the session. Should you have any further questions or require additional information, please feel free to reach out to our Investor Relations team. Thank you once again for your participation. Have a pleasant day ahead.</p>

Notes:

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